

Consolidated financial statements
Annual consolidated management report
Consolidated corporate governance declaration
Consolidated non-financial declaration
Declaration by the responsible persons
Independent Auditor's Report

Sirma Group Holding AD

31 December 2025



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Consolidated statement of financial position

Assets	Note	31 December 2025 BGN'000	31 December 2024 BGN'000
Non-current assets			
Goodwill	9	39 779	39 478
Property, plant and equipment	10	15 370	14 456
Intangible assets	11	22 211	21 810
Deferred tax assets	12	673	820
Non-current assets		78 033	76 564
Current assets			
Inventory	13	3 506	1 667
Trade and other financial receivables	14	22 409	23 021
Prepayments and other assets	15	3 598	1 269
Short-term related party receivables	34	326	473
Income tax receivables		21	18
Financial assets at fair value through profit or loss	17	-	313
Cash and cash equivalents	16	13 318	15 198
Current assets		43 178	41 959
Total assets		121 211	118 523
Equity			
Share capital	18.1	59 361	59 361
Purchased own shares	18.2	(1 569)	(1 689)
Reserves	18.3	9 501	9 595
Retained earnings		14 893	13 487
Equity attributable to the owners of the parent		82 186	80 754
Non-controlling interest	5.1	2 924	3 833
Total equity		85 110	84 587
Liabilities			
Non-current liabilities			
Pension obligations	20.2	855	741
Long-term borrowings	21.1	7 339	6 009
Long-term lease liabilities	22.1	809	691
Long-term related party payables	34	164	245
Deferred tax liabilities	12	355	326
Financing		481	518
Non-current liabilities		10 003	8 530
Current liabilities			
Provisions	19	-	77
Employee obligations	20.2	5 227	5 498
Short-term borrowings	21.1	1 404	268
Short-term lease liabilities	22.1	794	379
Trade and other payables	23	11 956	15 296
Contract liabilities	24	4 572	2 359
Short-term related party payables	34	2 012	1 473
Income tax liabilities		103	26
Financing		30	30
Current liabilities		26 098	25 406
Total liabilities		36 101	33 936
Total equity and liabilities		121 211	118 523

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The consolidated financial report was prepared and approved for issue by the Board of Directors on 23.04.2026 and signed on 29.04.2026.

Auditor's report issued on 29.04.2026.

Grant Thornton OOD, Audit firm № 032

Mariy Apostolov, Managing Partner

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Consolidated statement of profit or loss and of comprehensive income

	Note	2025 BGN'000	2024 BGN'000
Revenue from contracts with customers	25	129 975	98 925
Other income	26	789	1 082
Gain on sale of non-current assets		22	3
Cost of materials	27	(950)	(970)
Hired services expenses	28	(20 088)	(14 167)
Employee benefits expense	20.1	(53 064)	(44 028)
Depreciation, amortisation of non-financial assets	10, 11	(4 725)	(4 205)
Cost of goods sold and other current assets		(42 297)	(33 173)
Other expenses	29	(3 061)	(1 970)
Operating profit		6 601	1 497
Finance costs	30	(1 901)	(302)
Finance income	30	24	286
Profit before tax		4 724	1 481
Expenses for income taxes	31	(606)	(367)
Profit for the year		4 118	1 114

Other comprehensive loss:

Items that will not be reclassified subsequently to profit or loss:

Exchange rate differences from recalculation of foreign activities

(789) (215)

Other comprehensive loss for the year, net of taxes

(789) (215)

Total comprehensive profit for the year

3 329 899

Profit for the year attributable to:

Non-controlling interest

1 445 603

Owners of the parent

2 673 511

Total comprehensive income for the year:

Non-controlling interest

5.1 1 445 603

Owners of the parent

1 884 296

Earnings per share:

32.1 BGN 0.046 BGN 0.0089

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Sirma Group Holding AD
Annual consolidated financial statements
31 December 2025

Consolidated statement of change in equity for the year

All amounts are presented in BGN '000

	Share capital	Treasury shares	Reserves	Retained earnings	Total equity attributed to the owners of parent	Non-controlling interest	Total equity
Balance at 1 January 2025	59 361	(1 689)	9 595	13 487	80 754	3 833	84 587
Sold treasury shares	-	120	(180)	-	(60)	-	(60)
Reserve for share-based payments	-	-	550	-	550	-	550
Dividends	-	-	-	(1 160)	(1 160)	(2 354)	(3 514)
Transactions with owners	-	120	370	(1 160)	(670)	(2 354)	(3 024)
Profit for the year	-	-	-	2 673	2 673	1 445	4 118
Other comprehensive loss	-	-	(789)	-	(789)	-	(789)
Total comprehensive profit for the year	-	-	(789)	2 673	1 884	1 445	3 329
Transfer of retained earnings to reserves	-	-	325	(325)	-	-	-
Other changes	-	-	-	218	218	-	218
Balance at 31 December 2025	59 361	(1 569)	9 501	14 893	82 186	2 924	85 110

All amounts are presented in BGN '000

	Share capital	Treasury shares	Reserves	Retained earnings	Total equity attributed to the owners of parent	Non-controlling interest	Total equity
Balance at 1 January 2024	59 361	(1 799)	8 957	8 981	75 500	4 126	79 626
Repurchased shares	-	110	161	-	253	-	253
Dividends	-	-	-	(1 154)	(1 154)	(337)	(1 491)
Acquisition of non-controlling interest without change of control	-	-	317	4 222	4 539	(2 128)	2 411
Business combinations	-	-	224	1 078	1 302	1 569	2 871
Transactions with owners	-	110	702	4 146	4 958	(896)	4 062
Profit for the year	-	-	-	511	511	603	1 114
Other comprehensive loss	-	-	(215)	-	(215)	-	(215)
Total comprehensive loss for the year	-	-	(215)	511	296	603	899
Transfer of retained earnings to reserves	-	-	151	(151)	-	-	-
Balance at 31 December 2024	59 361	(1 689)	9 595	13 487	80 754	3 833	84 587

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The accompanying notes from 1 to 42 form an integral part of the consolidated financial statements.

Consolidated statement of cash flows for the year

	Note	2025 BGN'000	2024 BGN'000
Operating activities			
Cash receipts from customers		148 686	105 642
Cash paid to suppliers		(87 949)	(54 359)
Cash paid to employees and social security institutions		(51 157)	(43 495)
Income taxes paid		(457)	(298)
Other payments, net		(900)	(957)
Net cash flow from operating activities		8 223	6 533
Investing activities			
Purchase of property, plant and equipment		(1 178)	(985)
Proceeds from disposals of property, plant and equipment		68	2
Purchase of other intangible assets		(3 740)	(2 152)
Purchase of investments in subsidiaries, net of cash	7	(3 921)	(9 358)
Sale of investments in subsidiaries, net of cash	5.2	(11)	-
Proceeds from loans granted, including interest		1	36
Loans and deposits provided		-	(70)
Purchase of financial assets	17	-	(724)
Sale of financial assets		318	3 546
Net cash flow used in investing activities		(8 463)	(9 705)
Financing activities			
Proceeds from borrowings	21, 35	2 673	7 965
Repayments of borrowings	21, 35	(216)	(2 266)
Interest payments on loans	21, 35	(219)	(32)
Payment of principal element of lease liabilities	22, 35	(743)	(559)
Interest payments under lease contracts	22, 35	(21)	(26)
Repurchase of treasury shares	35	(415)	(740)
Proceeds from sale of treasury shares		400	993
Dividend payments	35	(2 615)	(1 580)
Cash flows associated with the return of equity contributions to owners	35	(81)	(83)
Net cash flow from financing activities		(1 237)	3 672
Net change in cash and cash equivalents		(1 477)	500
Cash and cash equivalents, beginning of year		15 198	14 694
Exchange (losses)/profit on the cash and cash equivalents		(403)	4
Cash and cash equivalents, end of year	16	13 318	15 198

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Auditor's report issued on 29.04.2026.

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Mariy Apostolov, Managing Partner

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Notes to the consolidated financial statements

1. Scope of business activity

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

The company is registered as joint-stock company in 25.04.2008. It is registered in Bulgarian trade register under UIC 200101236.

The parent company's registered office, which is also its principal place of business, is Bulgaria, Sofia (capital), Sofia municipality, Sofia city, 1784, Mladost area, bul. Tsarigradsko Shosse, No 135.

Sirma Group Holding AD is a public company whose shares are traded on a regulated market - the Bulgarian Stock Exchange AD and which is subject to disclosure requirements in accordance with EU law or equivalent international standards, ensuring an adequate degree of transparency regarding ownership and as such for him, respectively for his subsidiaries, which he controls directly and / or indirectly, an exception is provided for declaring the beneficial owner, according to paragraph 2, para. 1, item 1 of the Additional Provisions of the Anti-Money Laundering Measures Act. The distribution of the capital by all significant shareholders is presented in note 1.1. Distribution of the share capital to the present consolidated financial statements.

The share capital of the company as of 31.12.2024, as well as at the date of preparation of this financial report amounts to BGN 59 360 518, divided into 59 360 518 dematerialized shares with nominal value of BGN 1.

The parent company's capital is fully paid.

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

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

The Sirma Group consists of the parent company Sirma Group Holding AD and its subsidiaries: "Saifort" EAD, Roweb Development SA, Sirma Group Inc., Sirma Tech, "Daticum" AD, "Sirma ICS" AD, Sciant Shpk, "Sirma Medical Systems" AD, "EngView Systems" AD, "Sirma ISG" OOD.

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

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

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

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

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

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

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

1.1. Distribution of share capital

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

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

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

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.

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

1.2. Management authorities

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

The Board of Directors (BD) as of 31.12.2025 and as of the date of preparation of the consolidated financial statements 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 - Tsvetan Borisov Alexiev.

The following Committees are established:

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

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

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	1 068 046	1,80%	1,84%
Martin Veselinov Paev	126 920	126 920	1	126 920	0,21%	0,22%
Yordan Stoyanov Nedev	3 433	3 433	1	3 433	0,01%	0,01%
Peyo Vasilev Popov	100	100	1	100	0,0002%	0,0002%
Total	22 823 609	22 825 609		22 825 609	38,45%	39,49%

In 2025, the following transactions were carried out with shares of the Company and the members of the Board of Directors:

- Yavor Ludmilov Djonev sold 2 000 shares.

The number of employees as at 31 December 2025 was 679 under labour contracts (31 December 2024 - 644 under labour contracts).

The name of Sirma Group Holding AD has not been changed during the period.

Information about the names, country of incorporation and percent of the shares and voting power of the subsidiaries, included in the consolidation, is provided in note 5.1.

2. Basis for the preparation of the consolidated financial statements

2.1. Statement of compliance with IFRS adopted by the EU

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

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

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

2.2. Application of the going concern principle

The consolidated financial statements have been prepared in accordance with the going concern principle and taking into account the possible effects of the anticipated challenges and uncertainties in short term plan.

At the date of preparation of these consolidated financial statements, management has made an assessment of the Group's ability to continue as a going concern based on available information for the foreseeable future. The assessment was made based on the actions taken by management regarding maintaining stable supply chains, effective customer service, regular monitoring of liquidity and negotiation of appropriate financing parameters.

After making enquiries, the Board of directors have a reasonable expectation that the Group has adequate financial resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the annual consolidated statements.

3. Changes in accounting policies

3.1. New standards adopted as at 1 January 2025

The Group has adopted the following new standards, amendments and interpretations to IFRS issued by the International Accounting Standards Board and endorsed by EU, which are relevant to and effective for the Group's financial statements for the annual period beginning 1 January 2025 but do not have a significant impact on the Company's financial results or position:

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

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

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

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

- Annual Improvements, effective from 1 January 2026, not yet adopted by the EU;
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), effective from 1 January 2026, not yet adopted by the EU;
- IFRS 18 Presentation and Disclosure in Financial Statements effective from 1 January 2027, not yet adopted by the EU
IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. Companies are permitted to apply IFRS 18 before that date. IFRS 18 replaces IAS 1 Presentation of Financial Statements. Requirements in IAS 1 that are unchanged have been transferred to IFRS 18 and other Standards. IFRS 18 will affect all companies in all industries. Although IFRS 18 will not affect how companies measure financial performance, it will affect how companies present and disclose financial performance. IFRS 18 aims to improve financial reporting by:
 - requiring additional defined subtotals in the statement of profit or loss. Adding defined subtotals to the statement of profit or loss makes companies' financial performance easier to compare and provides a consistent starting point for investors' analysis.
 - requiring disclosures about management-defined performance measures. Requiring companies to disclose information about management-defined performance measures increases discipline over their use and transparency about their calculation.
 - adding new principles for grouping (aggregation and disaggregation) of information. Setting out requirements on whether information should be in the primary financial statements or the notes and providing principles on the level of detail needed improves effective communication of information.;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective from 1 January 2027, not yet adopted by the EU;
- Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures, effective from 1 January 2027, not yet adopted by the EU.

4. Summary of accounting policies

4.1. Overall considerations

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

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

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

4.2. Presentation of consolidated financial statements

The consolidated financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements". The Group has elected to present the consolidated statement of profit or loss and other comprehensive income in one statement.

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

4.3. Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2025. Subsidiaries are firms under the control of the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All transactions and balances between Group companies are eliminated on consolidation, including unrealized gains and losses on transactions between Group companies. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit and loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

When the Group ceases to have control of a subsidiary, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value of any investment retained in the former subsidiary at the date of loss of control is considered to be the fair value on initial recognition of a financial asset in accordance with IFRS 9 "Financial Instruments" or, where appropriate, the cost of initial recognition of an investment in an associate or jointly controlled entity. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs).

The profit or loss on disposal is calculated as the difference between i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and ii) the previous carrying amount of the assets including goodwill and liabilities of the subsidiary and any non-controlling interest.

4.4. Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

The acquisition method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. On initial recognition, the assets and liabilities of the acquired subsidiary are included in the consolidated statement of financial position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree that is present ownership interests and entitles their holders to a proportionate share of the entity's net assets in the event of liquidation either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

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

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have been previously recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if the interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period which cannot exceed one year from the acquisition date or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

Any contingent consideration to be transferred by the acquirer is measured at fair value at the acquisition date and included as part of the consideration transferred in a business combination. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, is recognized in accordance with IFRS 9 "Financial Instruments" either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

4.5. Transactions with non-controlling interest

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are treated as transactions with equity owners of the Group. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the parent company.

4.6. Investments in joint ventures

A joint venture is a contractual arrangement whereby the Company and other independent parties engage in a business activity that is subject to joint control and the parties having joint control of the entity have rights to the net assets of the entity.

Investments in joint ventures are accounted for using the equity method.

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

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

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

4.7. Foreign currency translations

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

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

The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into BGN at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognized in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative currency differences recognized in equity are reclassified to profit or loss and are recognized as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into BGN at the closing rate.

Bulgarian lev is pegged to the euro at the exchange rate of 1 EUR = 1.95583 BGN.

4.8. Segment reporting

Management determines the operating segments based on the main products and services provided by the Group.

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

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

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

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

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

Segment "Manufacturing" develops products based on its own innovative technology for variational and parametric CAD/CAM, designed for automation and optimization of production processes, mainly related to packaging from various sheet materials. In the segment, the Group develops products designed for quality control in serial production in various industries, mainly related to mechanical engineering, mechanics, production of aluminum and plastic parts, etc. In this area, the company develops both completely proprietary market solutions and technological solutions designed for specific measuring machines.

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

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

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

- post-employment benefit expenses;
- R&D costs relating to new business activities; and

which are not included in arriving at the operating profit of the operating segments.

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

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

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

4.9. Revenue

The basic revenue generated by the Group is related to sale of products and services, interest revenue, revenue from participations, revenue from financing and other revenue.

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

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

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

Assessment

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

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

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

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

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

4.9.1. Revenue recognized over time

Rendering of services

The services provided by the Group include the following services: software services, support and subscription for software applications and licensing services.

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

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

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

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

Support Services (After-Sales Services)

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

Consulting and IT Services

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

Software application development

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

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

Hosting services

The Group's hosting services are related to the maintenance of a software system for managing lotteries, cloud services, as well as related accompanying services, including and technical support. Hosting services are provided by a data and colocation center located in the city of Sofia, which The Group enters into hosting service contracts with its customers to perform regularly scheduled services at a fixed monthly price. Revenue is recognized over time in accordance with the pattern and method of transferring benefits to the customer. Revenue is recognized on a straight-line basis over the term of each contract. Because the amount of work required to perform these contracts does not vary significantly from month to month, the straight-line method accurately reflects the transfer of goods or services.

Measurement

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

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

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

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

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

4.9.2. Revenue recognized at a point of time

Sale of goods

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

Revenue from the sale of goods in the field of computer equipment, office equipment and software, which are not bound by a contract for future service support, is recognized at the time of delivery. When the goods require adaptation to the customer's needs, modification or implementation, the Company applies a method for measuring the invested resources.

4.9.3. Property rental income

Rental income from operating leases is recognized as income using the straight-line method over the term of the lease, except in cases where the Group's management considers that another system basis more accurately reflects the time model, the use of which reduces the benefit derived from the leased asset.

4.9.4. Interest and dividend revenue

Interest revenue is related to rendering of deposits and loans. It is reported on an ongoing basis using the effective interest method.

Dividend revenue is recognized at the time the right to receive payment occurs.

4.9.5. Revenue from financing

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

Grants provided by the state (funding, government grants) represent assistance received from the government, government agencies and other similar authorities in the form of transfers of resources to the Group in exchange for future compliance with certain conditions regarding its operational activities. Grants provided by the state can be related to assets and related to revenues.

Grants awarded by the government are recognized on reasonable assurance that the Group will meet the conditions attached to them and that the assistance will be received.

The Group has met the conditions and requirements for the payment of compensation under these measures to maintain employment. Revenue from government assistance is recognized in the consolidated statement of profit or loss and of comprehensive income under "Other income".

4.9.6. Contract liabilities

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

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

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

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

4.10. Operating expenses

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

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

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

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

4.11. Interest expenses and borrowing costs

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

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

4.12. Income taxes

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

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

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

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

Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

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

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

4.13. Goodwill

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

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

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

See note 9 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Refer to note 4.17 for a description of impairment testing procedures.

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

4.14. Intangible assets

Intangible assets include development products resulting from R&D, software products, software module rights, assets in progress and others. They are accounted for using the cost model. The cost comprises of its purchase price, including any import duties and non-refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use, whereby capitalized costs are amortized on a straight line basis over their estimated useful lives, as these assets are considered finite. If an intangible asset is acquired in a business combination, the cost of that intangible asset is based on its fair value at the date of acquisition.

After initial recognition, all finite-lived intangible assets are carried at their cost less any accumulated amortization and any accumulated impairment losses. Impairment losses are recognized in the consolidated statement of profit or loss/statement as profit or loss and other comprehensive income for the respective period.

Subsequent expenditure on an intangible asset after its purchase or its completion is expensed as incurred unless it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance and this expenditure can be measured reliably and attributed to the asset. If these two conditions are met, the subsequent expenditure is added to the carrying amount of the intangible asset.

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

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

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

Amortization has been included within the consolidated report for profit and loss and other income in the line "Amortization of non-financial assets".

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

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

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

Development costs for non-material assets not meeting these criteria for capitalization are recognized as expenses when incurred.

Directly attributable costs to the development phase include wage and social security costs, external service costs and depreciation costs. Internally generated intangible assets are subject to the same subsequent measurement method as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only as described below in note 4.17.

The profit or loss arising on the disposal of an intangible asset is determined as the difference between the proceeds and the carrying amount of the asset, and is recognized in the consolidated report as profit or loss within "Profit/(Loss) on sale of non-current assets".

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

4.15. Property, plant and equipment

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

After initial recognition, the property, plant and equipment is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Impairment losses are charged against revaluation reserve if no expenses have been incurred before that. Impairment losses are recognized in the consolidated statement of profit or loss/statement of profit or loss and other comprehensive income for the respective period.

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

Material residual value estimates and estimates of useful life are updated as required, but at least annually, whether or not the asset is revalued.

Property, plant and equipment acquired under finance lease agreement, are depreciated based on their expected useful life, determined by reference to comparable assets or based on the period of the lease contract, if shorter.

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

- Buildings 50 years
- Machines 3-8 years
- Vehicles 4 years
- Fixtures & Fittings 7.5 years
- IT equipment 2-5 years
- Others 7.5 years

Depreciation has been included in the consolidated statement of profit or loss statement and other comprehensive income within "Amortization of non-financial assets".

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

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

4.16. Leases

The Group as a lessee

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

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

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

Measurement and recognition of leases as a lessee

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

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

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

To determine the incremental borrowing rate, the Company uses the applicable interest rate from the last financing from third parties, adjusted in order to reflect the changes in the financing conditions that occurred after the last financing.

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

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

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has chosen to account for short-term leases and leases of low-value assets using the practical expedients provided by the Standard. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the consolidated statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables / as a separate line item.

Extension and termination options are included in several property and equipment leases at the Group. They are used to increase operational flexibility regarding the management of assets used in the operations of the Group. Most owned extension and termination options are exercised only by the Group and not by the respective lessor.

The Group as a lessor

The Group's accounting policy under IFRS 16 has not changed from the comparative period.

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

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

4.17. Impairment testing of goodwill, intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

4.18. Financial instruments

4.18.1. Recognition and derecognition

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

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

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

4.18.2. Classification and initial measurement of financial assets

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

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

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

The classification is determined by both:

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

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

4.18.3. Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

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

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

- **Trade receivables and loans granted**

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

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model than "hold to collect" or "hold to collect and sell", and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at fair value through profit or loss.. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

This category also contains investment in equity instruments. The Company accounts for this investment at fair value through profit or loss and has not made an irrevocable election to account for investments in subsidiaries at fair value through other comprehensive income.

Changes in the fair value of assets in this category are reflected in profit and loss. The fair value of financial assets in this category is determined by quoted prices in an active market or by using valuation techniques in the absence of an active market.

4.18.4. Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the "expected credit loss" model.

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

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

Trade and other receivables, contract assets and finance lease receivables

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. They represent the expected shortfall in contractual cash flows, given the possibility of default at any time during the term of the financial instrument. The Company uses its accumulated experience, external indicators and long-term information to calculate expected credit losses by distributing customers by industry and term structure of receivables and using a provision matrix.

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

4.18.5. Classification and measurement of financial liabilities

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

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

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

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

4.19. Inventory

Inventory includes computers and hardware components. Cost of inventories includes all expenses directly attributable to the purchase or manufacturing process, recycling and other direct expenses connected to their

delivery as well as suitable portions of related production overheads, based on normal operating capacity. Financing costs are not included in the cost of the inventories. At the end of every accounting period, inventories are carried at the lower of cost and net realizable value. The amount of impairment of inventories to their net realizable value is recognized as an expense for the period of impairment.

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

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

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

4.20. Cash

Cash and cash equivalents comprise cash in hand, current bank accounts and deposits, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.21. Equity and reserves

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

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

Reserves include:

- Premium reserves, formed as a difference between issue and nominal value in the issue of shares, received during the initial issuance of share capital. All transaction costs related to the issuance of shares are deducted from paid-up capital, net of tax benefits.
- Legal reserves, that are deducted from accumulated profits in accordance with the current commercial legislation,
- Revaluation reserve under defined benefit plans and
- Foreign activities revaluation reserve.
- Reserve for remuneration in the form of shares and/or share options, which are formed in accordance with the Company's Remuneration Policy. These amounts arise after a decision is made by the General Meeting to grant members of the management and supervisory bodies remuneration in the form of shares of the company, share options or other rights to acquire shares or remuneration based on changes in the price of the company's shares. During the period from the date of making the decision to the date of effective transfer of ownership of the shares, the amounts are reported as an element of equity, in Other reserves. When public companies grant variable remuneration in the form of shares, the transfer of the shares to the ownership of the members of the management and supervisory body is carried out at the earliest three years after the date of making the decision to grant them. Share options and all other rights to acquire shares or to receive remuneration based on changes in share prices cannot be exercised for at least three years after their grant.

Retained earnings include all current and prior period retained profits and uncovered losses.

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

All transactions with owners of the parent company are recorded separately in the consolidated report within equity.

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

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

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

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

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

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

4.23. Share-based employee remuneration

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

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

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

When employees receive remuneration in the form of share-based payment, the fair values of their services are determined indirectly by the fair value of the financial instrument granted to them. This fair value is estimated at the date of granting the financial instrument and does not take into account the influence of non-market conditions for acquiring the rights thereunder (e.g. targets such as reaching a certain level of profitability and sales growth).

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

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

4.24. Provisions, contingent liabilities and contingent assets

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

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

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination (see note 4.4). In a business combination contingent liabilities are recognized in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognized, less any amortization.

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

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

When preparing the consolidated financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

In the preparation of the presented consolidated financial statements the significant judgments of the management in applying the accounting policies of the Group and the main sources of uncertainty of the accounting estimates do not differ from those disclosed in the annual financial statements of the Group as at 31 December 2024.

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

Significant management judgements in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements are described below.

4.25.1. Internally generated intangible assets and research costs

Management monitors progress of internal research and development projects by using a project management system. Significant judgement is required in distinguishing research from the development phase. Development costs are recognized as an asset when all the criteria are met, whereas research costs are expensed as incurred.

To distinguish any research-type project phase from the development phase, it is the Group's accounting policy to also require a detailed forecast of sales or cost savings expected to be generated by the intangible asset. The forecast is incorporated into the Group's overall budget forecast as the capitalization of development costs commences. This ensures that managerial accounting, impairment testing procedures and accounting for internally-generated intangible assets is based on the same data.

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

4.25.2. Impairment of non-financial assets and goodwill

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows (see note 4.17). In the process of measuring expected future cash flows management makes assumptions about future operating results. These assumptions relate to future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Towards the end of the reporting period, the Group performed the annual test to determine whether the carrying amount of goodwill arising as a result of business combinations in previous periods does not exceed its fair value in connection with investments in subsidiaries, taking into account factors that affect the economic environment, in which the subsidiaries operate. They are related to the unstable economic situation that occurred globally as a result of the effects of the covid-pandemic, a slowdown in economic growth and the subsequent military conflicts on the territory of Ukraine and in the Middle East.

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

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

as in the near future) are an indicator of the increased risks facing the Bulgarian economy, as well as the high uncertainty regarding the economic development of Bulgaria's economic partners – mainly the EU countries.

The Group has no incurred an impairment loss on non-current assets in 2025 and 2024, in order to reduce the carrying amount of non-current assets and investments in subsidiaries to its recoverable amount.

4.25.3. Useful lives of depreciable assets

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

At 31 December 2025 management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are analyzed in note 10 and 11. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

4.25.4. Inventory

Inventories are measured at the lower of cost and net realizable value. In estimating net realizable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to technology changes which may cause selling prices to change rapidly. The future realization of the carrying amount of inventories BGN 3 506 thousand (2024: BGN 1 667 thousand) is affected by technological changes in the IT sector.

4.25.5. Measurement of expected credit loss

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

5. Basis of consolidation

5.1. Investments in subsidiaries

The subsidiaries included in the consolidation are as follows:

Investments of Sirma Group Holding AD:

Name of the subsidiary	Country of incorporation and principal place of business	Main activities	Segment	31.12.2025 share	31.12.2024 share
Saifort EAD	Bulgaria	Software services	System Integration	100%	100%
Saifort Ltd.	Israel	Software services	System Integration	70%	70%
Roweb Development	Romania	Software services	IT Services	51,00%	51,00%
Sirma Group Inc.	USA	Software services	IT Services, Strategic development	100%	100%
Sirma SHA	Albania	Software services	IT Services	55%	55%
Sirma Tech	UK	Software services	Financial Industry	100%	100%
"Daticum" AD	Bulgaria	Software services	System Integration	59%	59%
"Sirma ICS" AD	Bulgaria	Software services	Strategic development	93%	93%
Sciant Shpk	Albania	Software services	Hospitality, Strategic development	100%	100%
"Sirma Medical Systems" AD	Bulgaria	Software services	Strategic development	66,00%	66,00%
"EngView Systems" AD	Bulgaria	Software package development	Manufacturing	72,90%	72,90%
EngView Systems GmbH	Germany	Software package development	Manufacturing	72,90%	72,90%
EngView USA	USA	Software package development	Manufacturing	72,90%	72,90%
EngView Systems Latin America	Brazil	Software package development	Manufacturing	69,26%	69,26%
Engview Solutions Corp.	Canada	Software package development	Manufacturing	69,26%	69,26%
"Sirma ISG" OOD	Bulgaria	Software services	Strategic development	71%	71%
Sirma FZE	Dubai	Software services	IT Services	100%	-
Sirma AB	Sweden	Software services	IT Services	-	100%

The group includes the following subsidiaries with significant non-controlling interest (NCI):

Name of the subsidiary	Share of participation and voting rights of NCI		Total comprehensive income allocated to NCI		Accumulated NCI	
	31 December 2025	31 December 2024	2025	2024	31 December 2025	31 December 2024
	%	%	BGN'000	BGN'000	BGN'000	BGN'000
Roweb Development SA	49%	49%	1 078	301	660	1 569
Sirma Sha	45%	45%	59	24	157	138
Daticum AD	40%	40%	359	323	779	743
Sirma Medical Systems AD	34%	34%	(63)	(65)	(196)	(133)
Saifort EAD	30%	30%	(7)	-	(10)	-
EngView Systems	27%	27%	20	64	1 443	1 422
EngView USA	27%	27%	9	19	30	24
EngView Systems GmbH	27%	27%	-	(65)	-	-
Sirma ICS AD	7%	7%	(10)	2	61	70
Total			1 445	603	2 924	3 833

The dividends distributed to the non-controlling interest are as follows:

	2025 BGN'000	2024 BGN'000
Roweb Development SA	1 348	-
Roweb Development SA – advance dividend for 2025 distributed	639	-
Daticum AD	320	337
Sirma Sha	47	-
	2 354	337

Summarized financial information for Sirma Group Holding AD, before intragroup eliminations, is set out below:

	31 December 2025 BGN'000	31 December 2024 BGN'000
Non-current assets	102 612	101 686
Current assets	48 839	45 757
Total assets	151 451	147 443
Non-current liabilities	15 869	14 065
Current liabilities	31 807	30 627
Total liabilities	47 676	44 692
Equity attributable to owners of the parent	103 775	102 751
Non-controlling interests	3 563	3 833
Revenue	140 627	113 796
Profit for the year attributable to owners of the parent	6 107	1 057
Profit for the year attributable to NCI	1 445	603
Profit for the year	7 552	1 660
Net cash from operating activities	8 409	7 511
Net cash from investing activities	(8 565)	(12 560)
Net cash from financing activities	(1 316)	3 573
Net cash inflow/ (outflow)	(1 472)	(1 476)

5.2. Acquisition of controlling interest in Roweb Development, Romania in 2024

On 23.10.2024, the company acquired 51% of the shares of Roweb Development, a company registered in Romania, by purchasing 51% of its equity and voting rights in the company.

The acquisition of control over Roweb Development SA was carried out with the aim of expanding the group, markets and qualified personnel.

The total acquisition price at the time of acquisition is BGN 11 210 thousand, which include the intermediary's commission worth BGN 234 thousand.

The payment for the acquired shares is in two tranches. The first, worth BGN 7 792 thousand, was paid on the acquisition date of 23.10.2024. The second payment due in the amount of BGN 3 184 thousand is presented in "Trade and other payables" in the consolidated financial statements.

The allocation of the purchase price to the acquired assets and liabilities of Roweb Development SA was made in 2024. The value of each group of acquired assets, liabilities and contingent liabilities recognized at the acquisition date is presented as follows:

	Recognized value at acquisition date
	BGN'000
Property, plant and equipment	821
Intangible assets	22
Total non-current assets	843
Trade and other financial receivables	2 396
Prepayments and other assets	124
Cash	1 978
Total current assets	4 498
Trade and other payables	611
Financing	552
Dividend liabilities	1151
Employee and social security liabilities	437
Total current liabilities	2 751
Net identifiable assets	2 590
	BGN'000
Consideration transferred	7 792
Amount of cash acquired	(1 978)
Net cash outflow on acquisition	5 814
Acquisition costs	234
Net cash paid on acquisition	6 048

From the date of acquisition until 31.12.2024, the company "Roweb Development" SA has realized revenues in the amount of 2 919 thousand BGN and profit in the amount of 614 thousand BGN, which are included in the consolidated financial statements.

As a result of the business combination, there is no cessation of a major part of the activity.

The goodwill arising as a result of the business combination is determined as follows:

	BGN'000
Total consideration	11 210
Non-controlling interest measured at fair value/proportionate to share in the recognized amounts of the assets and liabilities of the acquired company	1 269
Fair value of the acquired identifiable net assets	(2 590)
Goodwill	9 889

Goodwill is mainly related to expectations of growth and future profitability, the significant skills and experience of the acquired company's personnel, as well as the expected reduction in costs.

5.3. Acquisition of additional shares in "Sirma SHA", Albania in 2025.

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

5.4. Establishment of a subsidiary company "Sirma FZE", Dubai in 2025.

By decision of the Board of Directors of the Company dated 22.10.2025, a decision was made to establish a subsidiary "Sirma FZE" in Dubai with a capital of 100 000 dirhams, whose equivalent is 37 thousand BGN. The capital is divided into 100 shares with a nominal value of 1 000 dirhams each. The Company has no legal requirement to contribute the capital of "Sirma FZE" and accordingly, at the end of the reporting period, the capital was not contributed. For this reason, the value of the investment in "Sirma FZE" is 0 BGN.

5.5. Sale of Sirma AB, Sweden in 2025

By decision of the Board of Directors of the parent company dated 05.08.2025, the Group has sold 100% of its share in the equity of the subsidiary Sirma AB, Sweden. The result of the transaction is a loss of 1 thousand BGN.

The carrying amount of the net assets of Sirma AB, recognized as of the date of sale, is presented as follows:

	<u>08.08.2025</u>
	<u>BGN'000</u>
Trade and other current receivables	8
Cash and cash equivalents	11
Total assets	19
Trade and other payables	7
Total liabilities	7
Net identifiable assets	12
Total consideration received	11
Balance sheet value of net assets of subsidiary at the date of loss of control	(12)
Loss on sale	(1)

6. Long - term financial assets

	31 December 2025 BGN'000	31 December 2024 BGN'000
Financial assets at fair value	841	841
Losses from change in fair value of equity investments at fair value through profit or loss recognized in other expenses	(841)	(841)
	<u>-</u>	<u>-</u>

The company from the Group "Sirma Business Consulting" has purchased 3 shares from Madara Invest Ltd. (Madara Invest Ltd.) under a contract dated 02.04.2020 Madara Invest Ltd. (Madara Invest Ltd.) is a limited liability company incorporated and operating under the laws of England and Wales, incorporated in the Company House of the United Kingdom under number 11260272, with registered office in England, London, E14 5AB, One Kenada Square, Canary Wharf, floor 39. The shares of Madara Invest Ltd. They are not listed on a stock exchange. The initial value of the financial asset purchased in 2021 is BGN 841 thousand. In 2023 and 2022 respectively, the management has analyzed the recoverable value of the investment. After the analysis, it was found that there was a depreciation of the investment in the amount of BGN 505 thousand for 2022 and an additional impairment of BGN 336 thousand for 2023 in relation with changed business plans and expected cash flows in the future activity of the Company.

7. Changes in controlling interest in subsidiaries

7.1. Acquisition of non-controlling interest in "Sirma Tech", UK in 2024.

On 21.08.2024, the Group acquired 49% of the consolidated and nominal stake in its subsidiary Sirma Tech Ltd. in the amount of BGN 1 285 thousand, as a result of which Sirma Group Holding AD now owns 100% of the capital of Sirma Tech Ltd. The initial payment for the purchase in the amount of BGN 300 thousand was made in 2024, and the remaining liability in the amount of BGN 985 thousand will be paid in two installments in 2025 and 2026 and is presented in the line "Trade and other payables" in the consolidated financial statements.

	<u>21.08.2024</u>
	<u>BGN'000</u>
Net assets of Sirma Tech Ltd, UK	578
Percentage non-controlling interest	49%
Controlling interest	283

7.2. Acquisition of non-controlling interest in "Sirma Business Consulting" AD, "Sirma Insurtech" AD, "Sirma CI AD" in 2024.

On 15.04.2024, the Group acquired 45% consolidation and nominal in its subsidiary "Sirma Insurtech" AD in the amount of BGN 562 thousand, thus increasing its controlling interest to 100% consolidation and nominal.

15.04.2024
BGN'000

Net assets of Sirma Insurtech AD	516
Percentage non-controlling interest	45%
Controlling interest	232

On 26.04.2024, the Group acquired 20% consolidation and nominal in its subsidiary "Sirma CI" AD for an amount of BGN 142 thousand, thus increasing its controlling interest to 100% consolidation and nominal.

26.04.2024
BGN'000

Net assets of Sirma CI AD	316
Percentage non-controlling interest	20%
Controlling interest	63

On 03.06.2024, the Group acquired 45,91% consolidation and nominal in its subsidiary "Sirma Business Consulting" EAD for an amount of BGN 2 540 thousand, thus increasing its controlling interest to 100% consolidation and nominal.

03.06.2024
BGN'000

Net assets of Sirma Business Consulting EAD	3 375
Percentage non-controlling interest	45,91%
Controlling interest	1 550

On 08.10.2024, Sirma Insurtech AD, Sirma Business Consulting AD and Sirma CI AD merged into the parent company, as disclosed in Note 1.

8. Segment reporting

Management currently identifies the following Group's operating segments as further described in note 4.8. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

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

2025 BGN'000	System Integration	Hospitality	Financial Industry	IT Services	Manufacturing	Others	Total	Non-distributable
Revenue:								
- from external customers	54 554	10 597	17 245	28 679	4 518	15 193	130 786	-
Segment revenues	54 554	10 597	17 245	28 679	4 518	15 193	130 786	-
Cost of materials and cost of goods sold	(42 317)	(6)	(221)	(120)	(48)	(535)	(43 247)	-
Hired services expenses	(3 978)	(2 153)	(3 877)	(7 473)	(689)	(1 908)	(20 078)	(10)
Employee benefits expense	(2 693)	(7 462)	(11 113)	(16 890)	(2 159)	(12 747)	(53 064)	-
Depreciation and amortization of non-financial assets	(662)	(539)	(684)	(684)	(1 027)	(1 129)	(4 725)	-
Other expenses	(38)	(35)	(272)	(652)	(129)	(1 935)	(3 061)	-
Segment operating profit	4 866	402	1 078	2 860	466	(3 061)	6 611	(10)
Total assets of the segment	1 905	-	2 225	4 223	4 745	9 113	22 211	98 642
Total liabilities of the segment	-	-	-	-	-	-	-	35 743

2024 BGN'000	System Integration	Hospitality	Financial Industry	IT Services	Manufacturing	Others	Total	Non-distributable
Revenue:								
- from external customers	41 197	13 423	15 987	10 149	4 419	14 835	100 010	-
Segment revenues	41 197	13 423	15 987	10 149	4 419	14 835	100 010	-
Cost of materials and cost of goods sold	(33 650)	(59)	(38)	(122)	(194)	(80)	(34 143)	-
Hired services expenses	(2 588)	(1 638)	(3 544)	(1 816)	(576)	(3 983)	(14 145)	(22)
Employee benefits expense	(2 994)	(8 752)	(9 724)	(6 910)	(2 273)	(13 375)	(44 028)	-
Depreciation and amortization of non-financial assets	(883)	(269)	(1 216)	(300)	(968)	(569)	(4 205)	-
Other expenses	(27)	(208)	(200)	(494)	(134)	(907)	(1 970)	-
Segment operating profit	1 055	2 497	1 265	507	274	(4 079)	1 519	(22)
Total assets of the segment	2 089	-	1 979	4 558	4 609	8 575	21 810	96 713
Total liabilities of the segment	-	-	-	-	-	-	-	33 935

Assets are distributed on the basis of a percentage of revenues by individual segments. The Group's administrative buildings and machinery and equipment, as well as office equipment are considered corporate assets of the Group and are not allocated to separate segments.

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

	2025 BGN'000	2024 BGN'000	Change BGN'000	Change %
Bulgaria (domicile)	76 128	55 653	20 475	36,79%
USA	11 207	11 388	(181)	(1,59%)
UK	10 292	10 359	(67)	(0,65%)
Other countries	33 159	22 610	10 549	46,66%
Total	130 786	100 010	30 776	30,77%

The total amount of income, operating profit and assets of the individual segments are equal to the respective items in the consolidated financial statements of the Group, as follows:

	2025 BGN'000	2024 BGN'000
Revenues		
Total segment revenues	140 627	113 796
Elimination of intersegment revenues	(9 841)	(13 786)
Revenues of the Group	130 786	100 010
Costs		
Cost of materials and cost of goods sold	(43 509)	(35 011)
Hired services expenses	(28 531)	(24 833)
Employee benefits expense	(53 064)	(44 028)
Depreciation and amortization of non-financial assets	(4 871)	(5 109)
Other expenses	(3 065)	(2 836)
Elimination of intersegment costs	8 855	13 304
Operating profit of the Group	6 601	1 497
Finance costs	(1 933)	(464)
Finance income	2 586	425
Elimination of unallocated costs	(2 530)	23
Profit of the Group before tax	4 724	1 481

9. Goodwill

	31 December 2025 BGN'000	31 December 2024 BGN'000
Gross carrying amount		
Balance as of January 1	39 478	26 252
Goodwill acquired as a result of business combinations <i>as a result of merger</i>	456	34 353
<i>as a result of acquisition</i>	-	24 464
	456	9 889
Goodwill written off as a result of merger <i>Sirma Solutions EAD</i>	-	(21 127)
<i>Sciant EAD</i>	-	(11 754)
<i>Sirma Insurtech AD</i>	-	(8 622)
<i>Sirma Business Consulting AD</i>	-	(747)
Impairment of goodwill	-	(4)
	(155)	-
Balance as of December 31	39 779	39 478
Carrying amount as of December 31	39 779	39 478

9.1. Goodwill arising from a merger

As a result of the business combination carried out in 2024 through the merger of six subsidiaries "Sirma CI" EAD, "Sirma Insurtech" EAD, "Sirma Solutions" EAD, "Sirma Business Consulting" EAD, "Sciant" EAD and "HRM Solutions" EAD into the parent company "Sirma Group Holding" AD, the following goodwill arose:

	31 December 2025 BGN'000	31 December 2024 BGN'000
Gross carrying amount		
Balance as of January 1	24 464	-
Goodwill acquired as a result of a business combination including:	-	24 464
Sciant EAD	-	13 865
Sirma Solutions EAD	-	7 871
Sirma Insurtech EAD	-	1 605
Sirma Business Consulting EAD	-	1 068
Sirma CI EAD	-	55
Balance amount as of December 31	24 464	24 464

As of 08.10.2024, the results of the merger and the recognized goodwill of the individual merging companies are as follows:

	BGN'000
"Sciant" EAD	
Total investment value	14 076
Fair value of identifiable net assets and liabilities acquired	(211)
Goodwill	13 865
	BGN'000
"Sirma Solutions" EAD	
Total investment value	39 686
Fair value of identifiable net assets and liabilities acquired	(31 815)
Goodwill	7 871
	BGN'000
"Sirma CI" EAD	
Total investment value	248
Fair value of identifiable net assets and liabilities acquired	(193)
Goodwill	55
	BGN'000
Sirma Insurtech" EAD and the subsidiary "HRM Solutions" EAD	
Total investment value	1 476
Fair value of identifiable net assets and liabilities acquired	129
Goodwill	1 605
	BGN'000
"Sirma Business Consulting" EAD	
Total investment value	4 222
Fair value of identifiable net assets and liabilities acquired	(3 154)
Goodwill	1 068

9.2. Goodwill arising from acquisition

	31 December 2025	31 December 2024
	BGN'000	BGN'000
IT Services (Roweb Development SA)	10 046	9 889
System Integration (Saifort EAD)	2 961	2 961
Strategic development (Sirma Group Inc.)	1 863	1 863
IT Services (<i>Duo Soft EOOD</i>)	299	-
<i>Impairment of reputation of Duo Soft EOOD</i>	(155)	-
Financial Industry (Sirma Tech)	164	164
IT Services (Sciant Shpk.)	123	123
Manufacturing (EngView USA)	14	14
Goodwill allocation at 31 December	15 315	15 014

For the purpose of annual impairment testing goodwill is allocated to the following cash-generating units, which correspond to the new structure of the Group's segments following the business combinations during the year:

	31 December 2025 BGN'000	31 December 2024 BGN'000
Hospitality	13 865	13 865
IT Services	13 280	12 979
System Integration	7 920	7 920
Financial Industry	1 232	1 232
Manufacturing	14	14
Strategic development	3 468	3 468
Carrying amount as of December 31	39 779	39 478

The recoverable amounts of the cash-generating units were determined based on value-in-use calculations as of 31.12.2025, covering a detailed 5-year forecast, followed by an extrapolation of expected cash flows for the units' remaining useful lives using the growth rates determined by the management.

The growth rates reflect the long-term average growth rates for the product lines and industries of the cash-generating units. The discount rates reflect appropriate adjustments relating to market risk and specific risk factors of each segment.

	Growth rates		Discount rates	
	2025	2024	2025	2024
Minimum	6%	2%	8%	9%
Maximum	10%	5%	15%	10%

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

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

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

10. Property, plant and equipment

Group's property, plant and equipment of the Group comprise of buildings, vehicles, office equipment, machinery, computer equipment, assets under construction, right- of-use assets and others. The carrying amount can be analyzed as follows:

	Buildings	Facilities	Vehicles	Office equipment	Machinery	Computer equipment	Assets under construction	Right- of-use assets	Others	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Gross carrying amount										
Balance at 1 January 2025	12 323	311	706	841	2 568	5 948	12	1 372	1 225	25 306
Newly acquired assets	411	-	284	23	225	345	129	1 190	38	2 645
Transfer of assets	-	-	-	-	-	12	-	-	-	12
Additions	-	-	(170)	(2)	(7)	(96)	-	-	-	(275)
Disposals	-	-	-	(223)	(648)	(222)	(44)	(130)	(723)	(1 990)
Balance at 31 December 2025	12 734	311	820	639	2 138	5 987	97	2 432	540	25 698
Depreciation										
Balance at 1 January 2025	(1 226)	(7)	(474)	(563)	(2 291)	(4 988)	-	(499)	(802)	(10 850)
Depreciation	(126)	(3)	(97)	(78)	(93)	(641)	-	(608)	(80)	(1 726)
Disposals	-	-	134	225	656	401	-	113	719	2 248
Balance at 31 December 2025	(1 352)	(10)	(437)	(416)	(1 728)	(5 228)	-	(994)	(163)	(10 328)
Carrying amount at 31 December 2025	11 382	301	383	223	410	759	97	1 438	377	15 370

	Buildings	Facilities	Vehicles	Office equipment	Machinery	Computer equipment	Assets under construction	Right-of-use assets	Others	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Gross carrying amount										
Balance at 1 January 2024	7 451	100	621	766	2 490	5 247	244	2 747	919	20 585
Effect of business combination	4 583	-	85	-	-	-	-	-	-	4 668
Additions	289	211	-	75	78	701	53	1 462	306	3 175
Disposals	-	-	-	-	-	-	(285)	(2 837)	-	(3 122)
Balance at 31 December 2024	12 323	311	706	841	2 568	5 948	12	1 372	1 225	25 306
Depreciation										
Balance at 1 January 2024	(1 086)	(2)	(378)	(477)	(2 233)	(4 328)	-	(1 141)	(759)	(10 404)
Depreciation	(140)	(5)	(96)	(86)	(58)	(660)	-	(482)	(43)	(1 570)
Disposals	-	-	-	-	-	-	-	1 124	-	1 124
Balance at 31 December 2024	(1 226)	(7)	(474)	(563)	(2 291)	(4 988)	-	(499)	(802)	(10 850)
Carrying amount at 31 December 2024	11 097	304	232	278	277	960	12	873	423	14 456

All depreciation charges are included within "Depreciation, amortization of non-financial assets" in the consolidated statement of profit or loss and other comprehensive income.

The carrying amount of property, plant and equipment pledged as collateral for loans (see note 21.1) is presented as follows:

	Buildings BGN thousand
Balance sheet value as of 31 December 2025	6 471

The Group has not a contractual commitment to acquire assets as of 31.12.2025.

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

	Buildings	Vehicles	Total right- of-use assets
	BGN'000	BGN'000	BGN'000
Gross carrying amount			
Balance at 1 January 2025	1 287	85	1 372
Additions	1 098	92	1 190
Disposals	(130)	-	(130)
Balance at 31 December 2025	2 255	177	2 432
Depreciation			
Balance at 1 January 2025	(471)	(28)	(499)
Depreciation	(601)	(7)	(608)
Disposals	113	-	113
Balance at 31 December 2025	(959)	(35)	(994)
Carrying amount at 31 December 2025	1 296	142	1 438
	Buildings	Vehicles	Total right- of-use assets
	BGN'000	BGN'000	BGN'000
Gross carrying amount			
Balance at 1 January 2024	2 634	113	2 747
Additions	1 462	-	1 462
Disposals	(2 809)	(28)	(2 837)
Balance at 31 December 2024	1 287	85	1 372
Depreciation			
Balance at 1 January 2024	(1 103)	(38)	(1 141)
Depreciation	(465)	(17)	(482)
Disposals	1 097	27	1 124
Balance at 31 December 2024	(471)	(28)	(499)
Carrying amount at 31 December 2024	816	57	873

The decrease in the assets with the right of use is due to a process of reducing the remaining term of the leasing contracts. The lease liabilities corresponding to the right-of-use assets are presented in note 22 "Lease liabilities".

11. Intangible assets

The Group's other intangible assets comprise of R&D products, software products, rights to software modules, intangible assets in progress and others. The carrying amounts for the reporting periods under review can be analyzed as follows:

	Internally created software products	Software products	Rights to software modules	Internally created Intangible assets in progress	Others	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Gross carrying amount						
Balance at 1 January 2025	26 251	2 763	12 699	5 752	7 746	55 211
Capitalized costs of internally developed intangible	-	-	-	2 984	-	2 984
Newly acquired assets	-	204	534	-	-	738
Disposals	(3 494)	(453)	(4 027)	-	(51)	(8 025)
Transfer of assets	6 958	-	-	(6 958)	-	-
Balance at 31 December 2025	29 715	2 514	9 206	1 778	7 695	50 908
Amortization						
Balance at 1 January 2025	(19 133)	(1 946)	(9 504)	-	(2 818)	(33 401)
Amortization	(2 141)	(63)	(764)	-	(31)	(2 999)
Disposals	3 173	453	4 027	-	50	7 703
Balance at 31 December 2025	(18 101)	(1 556)	(6 241)	-	(2 799)	(28 697)
Carrying amount at 31 December 2025	11 614	958	2 965	1 778	4 896	22 211

	Internally created software products	Software products	Rights to software modules	Internally created Intangible assets in progress	Others	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Gross carrying amount						
Balance at 1 January 2024	23 307	2 763	12 597	5 358	7 128	51 153
Additions, internally developed	564	-	-	394	103	1 061
Effect of business combination	2 380	-	102	-	515	2 997
Balance at 31 December 2024	26 251	2 763	12 699	5 752	7 746	55 211
Amortization						
Balance at 1 January 2024	(18 164)	(1 849)	(8 376)	-	(2 377)	(30 766)
Amortization	(969)	(97)	(1 128)	-	(441)	(2 635)
Balance at 31 December 2024	(19 133)	(1 946)	(9 504)	-	(2 818)	(33 401)
Carrying amount at 31 December 2024	7 118	817	3 195	5 752	4 928	21 810

R&D products include the following assets:

Customer Intelligence Platform (CIP)

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

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

Packaging Suite is a complex product. It is based on functionalities that are part of a multifunctional software CAD system for the packaging industry. Some of these functionalities are also provided as online services through a specially developed API (application programming interface), which allows various online systems to visualize, calculate and model data or drawings. Different integrations or design of new products through such functionalities already provided in a component, provide new opportunities for development of various online products, platforms

or portals. Such is the example with built-in basic functionalities of the CAD system, its libraries and models in a specialized platform for services in the field of packaging and printing in China.

The long-developed CAD system, which covers several main stages of preparation for serial production of packaging from sheet materials (cardboard, corrugated cardboard, etc.) is offered as a main tool in the production departments of packaging companies.

The product, which can be installed directly in the production departments of both Windows and MAC OS, is organized on a modular basis to be more flexibly oriented to different types of end customers. It consists of the following main modules:

- Library with ready-made packaging designs. Includes internationally standardized packaging structures from the main materials used (cardboard and corrugated cardboard), as well as further developed non-standard packaging.
- Library with ready-made display structures.
- Drafting with Parametric Components. Module for structural design of the unfolding of the package. This module defines the structure of the desired package. This can be done either by selecting a suitable ready-made structure from a library on which the desired dimensions are set; or using the rich set of CAD tools and ready-made parametric components, with the help of which the user creates an entirely new structure.
- Parametric Drafting (Synergy) - this is a module aimed at designers of original packaging structures. With the help of unique proprietary technology for variational and parametric CAD, a new parameterized standard can be created quickly and easily - a unique structure on which different values of basic parameters can be easily set, changing its dimensions while maintaining its integrity.
- Integration with Adobe Illustrator - module for integration with a graphic design product. Allows the integration of the developed new packaging structure with the corresponding graphic design created in the most common graphic design product Adobe Illustrator.
- 3D Presenter - module for three-dimensional visualization of the design. This is a design verification module before moving on to actual production. In this module, a TA image of the selected structure can be generated, together with a further developed graphic design. The user can see completely realistically what the final product would look like, as well as detect possible design errors before series production.
- Layout Optimizer. Module for optimal placement of the structure on a sheet. The user can choose between the available materials of different sizes and substrates, as well as according to the available machines for serial punching, and make the optimal placement of the structure in order to maximize the number of packages and minimum waste.
- Display Nesting - optimal placement of components of the display structure in order to minimize waste.
- Master Canvas new module for creating individual parts of the display in one place and for optimizing the creation of an otherwise complex and time-consuming process.
- One sheet nesting - new functionality for optimizing the sheet according to the given graphs (articles), and not only by structure.
- CAM - module for control of CNC machines. This module generates a specific file, based on which various machines related to the production process are managed - modeling plotters, machines for bending knives, machines for cutting trenches, etc.
- Dieboard Design. Module for generating punch shapes. The die-form is a tool used by machines for mass production of packaging. Each punch must comply with the requirements of the available punching machine. In this module, the user has a wealth of tools to create a suitable die shape and prepare it for production.
- The process of serial production of packaging includes several specialized modules for specific activities related to high-performance and high-quality punching - Stripping Die Design, Counterplate Design, Vamish Blanket Design
- Project Organizer, Cost Estimator. These are modules serving the organization of business processes related to the production of packaging. With their help, companies engaged in the production of packaging and / or punch forms, organize work with their customers, orders and related files, as well as generate automated calculation of the expected value of the product, based on information from the graphic file.

Packaging Suite is software targeted at the global niche of packaging and display manufacturers. Potential customers for various configurations of product modules are advertising agencies, printers, packaging companies, punch companies. The product supports a user interface in all major world languages and has virtually unlimited market reach. With its developed AP1 provides opportunities for all these groups of users to embed in their sites or platforms for communication with their end customers elements of production functionality, through which to improve both customer-manufacturer relationship and increase the efficiency of service and overall production.

The target market for this component is global. Customers can be arbitrary packaging companies around the world, and the trends towards digitalization of production and use of digital printing machines, as well as combined machines for digital printing and serial production of packaging, suggest future expansion of the market niche for it.

Measurement Suite is software that has been developed to allow the software to work with various devices for measuring, quality control, processing of scanned image, which can be a profile, shaft or other element important for the quality of the entire production.

Specialized functionality has been developed for collaborating Internet and mobile-based applications, as well as PCs. Based on automation and optimization of some specific activities for quality control of serial production, in measurements with hand tools such as calipers, micrometers, altimeters and more. covers the process of measurement, transmission of measurement data and their storage and subsequent processing. It covers both the traditional ways of data transmission in hand-held measuring instruments (manual data entry, cable transmission) and the most modern technologies - Bluetooth connection between the meter and a mobile device. The technology can be offered as a cloud-based service on a subscription basis, or as a solution installed on the client's servers.

For specialized machines that are located in industrial conditions such as optical measuring systems based on a standard scanner, use PC and touch monitor, as well as specialized software Measurement Suite for scanned image analysis, report generation and documentation, as well as and storage and management of measurement information.

The main consumers are the companies that produce by extrusion products from aluminum, plastics and others. materials. The main stage in the production cycle of these productions is the ongoing monitoring of product quality. For this purpose, sections from any places of the extruded products (profiles) are taken and measured precisely, according to certain criteria.

The scanned image of the profile section is processed by the software and within seconds gives a complete report on the compliance of the part with the requirements and tolerances defined in the system. The product also allows manual comparison of the image against an ideal drawing and detection of deviations.

All information from all measurements is stored in the module MDC - Measurement Data Center - where at any time you can check the results, operators, measuring machines, etc. Integration with other popular specialized software products for processing information from measurements used in industry (SPC), or with standard ERP systems, etc. is also possible.

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

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

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

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

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

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

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

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

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

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

PSD2 / 2FA - 2FA is a software solution created as a result of a European regulatory requirement under REGULATION (EC) No 910/2014 on electronic identification and authentication services in electronic transactions to reduce fraud, increase the security of online payments and protect identity .

Authentication software solution in which a user of an electronic device or program is granted access only after successful presentation of two or more evidences by which he is certified as:

- Knowledge - something the client knows (Password, PIN, secret answers);
- Possession - something that the client owns (dongle, telephone, hardware);
- Personality - something that the client is (Imprint, face, eyes, voice, DNA).

PSD2 is a software solution created as a result of the enlarged European Union Directive on payment services PSD2 Directive (EU) 2015/2366 and the Law on Payment Services and Payment Systems. Provides:

- PSD2 listener back end server - the connection with the outside world for the bank and implements the requirements of BISTRA (Banking Interfaces for Standardized Payments). Server services are available 24x7.
- PSD2 module for consent management - a module for registration of client accounts for work with the services under PSD2 and respectively BISTRA, which is integrated with OBS (Main Banking System).
- PSD2 module for transactions processing - a module for processing transactions on PSD2 and BISTRA, respectively, which is integrated with OBS (Basic Banking System).

Diabetes:M is a mobile application for tracking the condition of people suffering from all types of diabetes or pre-diabetes. By significantly developing the patient's self-monitoring and self-control, it reduces the risks of complications related to the disease and allows treating specialists to make quick and informed decisions about the patient's therapy.

Diabetes:M has versions in Bulgarian for mobile devices with iOS Android as well as for web browsers.

The app enables users to track every aspect of their illness. This allows them to make better decisions in their daily lives, which leads to better control of blood sugar levels and significantly reduces the risk of critical situations.

Diabetes:M is a detailed electronic diary in which users enter all data important for tracking their current condition – blood sugar checks, medications taken, insulin doses, food, physical exercise, weight, blood pressure and laboratory test results. With long-term use, the collected data is analyzed and shows in detail the condition and possible problem periods in the patient's daily life.

Additional functions such as the use of artificial intelligence to track the user's daily routine and the powerful reminder system significantly help to avoid problematic situations caused by distraction and/or forgetting to take insulin or medication. These agents have an extremely beneficial effect in improving discipline in compliance with prescribed therapy.

The app supports multiple Bluetooth connected devices like blood glucose meters sensors etc. offering complete or partial automation of data recording.

The relationship with the treating specialists is of vital importance for the successful management of the condition of the diabetic patients. Diabetes:M is designed to give treating professionals the best possible summary of data collected in a report over a selected period.

In addition, a web-based module (Diabetes:M Monitor) has been developed that allows doctors, nurses and other expert staff to monitor the condition of multiple patients in full detail in real time without the need for specialized hardware.

Medrec:M is an integrated health management platform designed to meet the urgent need for next-generation healthcare providers in today's world.

Medrec:M offers a unique combination of user-oriented mobile self-monitoring applications for both basic health tracking and chronic condition management (diabetes and heart disease) connected to the Medrec:M medical platform. Thus, the application helps patients and clinics to remotely monitoring and communication in a single unified way.

Medrec: M for clinics

Medrec:M is a cloud-based health management platform that helps clinics and doctors connect with new patients and communicate with existing ones through one integrated system using comprehensive telemedicine functionalities such as chat and video as well as the ability to access shared data from patients.

Medrec: M mobile app

Medrec:M is a free mobile application where users record health data, create medication plans, store documents, track their symptoms and can use a range of doctors and clinics to book an appointment for remote consultations and receive health tips and news.

Cardiac: M mobile app

The app helps people with heart disease or other cardiovascular problems track their blood pressure, medication and other vital information.

Sirma ICS Platform

The platform has an open architecture and a modular structure that allows flexible and adaptive product management. The platform uses SSL-certified security to protect the privacy of customer data. Calculation and issuance of policies in real time (through integration) with discounts / increases confirmed by the insurance company.

"Motor Third Party Liability" - Integration with 9 companies

"Casco" - Integration with 1 company (Grupama),

"Property" - Integration with 3 companies (Allianz, ZAD Bulgaria, Grupama).

"Travel Assistance" - Integration with 4 companies (Unique Life, Grupama, DZI and ZAD Bulgaria).

- Registration of all other types of policies and all types of annexes
- Automatic renewal of policies, both through integration and for manually registered policies

RISK SCORE TOOLBOX (RSTBOX)

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

CEGATE solution

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

DiGiBANK solution

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

REXPRESS solution

REXPRESS is an integrated software solution with a web-based interface for managing Bank Statutory Reports to the BNB and the ECB. The system was developed on the basis of a three-layer architecture and implements all good practices in the implementation of the processes for creating and reporting reporting forms. When exchanging reports, all guidelines and current regulations valid for financial institutions in the European Union and the Republic of Belarus are used. REXPRESS is modular based and provides complete information and reporting forms by codes and inherent requisites or attributes established by the regulator in the established formats and periodicity.

SCARDS solution

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

UBXPAYMENTS solution

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

sHRedy

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

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

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

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

Sirma InSuite

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

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

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

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

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

Loyax

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

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

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

The costs capitalized in the value of software applications under development amount to BGN 2 984 thousand for 2025 (2024: BGN 2 551 thousand)

No material contractual commitments were entered into during 2025 or 2024. All amortization charges are included within "Depreciation, amortization of non-financial assets".

No intangible assets have been pledged as security for liabilities.

12. Deferred tax assets and liabilities

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

Deferred tax liabilities/ (assets)	1 January 2025	Recognised in profit and loss	31 December 2025
	BGN'000	BGN'000	BGN'000
Non-current assets			
Fixed and intangible assets	326	29	355
Impairment of investments	(133)	-	(133)
Current assets			
Inventories	(4)	(2)	(6)
Trade and other receivables	(77)	(7)	(84)
Non-current liabilities			
Employee obligations	(73)	(12)	(85)
Current liabilities			
Employee obligations	(203)	(33)	(236)
Lease liabilities	(3)	3	-
Unused tax losses	(321)	198	(123)
Interest rates from weak capitalization	(6)	-	(6)
	(494)	176	(318)
Deferred tax assets	(820)		(673)
Deferred tax liabilities	326		355

Deferred taxes for the comparative period 2024 can be summarized as follows:

Deferred tax liabilities/ (assets)	1 January 2024	Recognised in profit and loss	Acquired as a result of a business combination	31 December 2024
	BGN'000	BGN'000	BGN'000	BGN'000
Non-current assets				
Fixed and intangible assets	280	57	(11)	326
Impairment of investments	(133)	-	-	(133)
Current assets				
Inventories	(4)	-	-	(4)
Trade and other receivables	(54)	(23)	-	(77)
Non-current liabilities				
Employee obligations	(60)	(13)	-	(73)
Current liabilities				
Employee obligations	(256)	55	(2)	(203)
Lease liabilities	(7)	-	4	(3)
Unused tax losses	(935)	75	539	(321)
Interest rates from weak capitalization	(20)	-	14	(6)
	(1 189)	151	544	(494)
Deferred tax assets	(1 469)			(820)
Deferred tax liabilities	280			326

As of 31.12.2025, the Group's tax losses amounted to BGN 1 230 thousand. The utilization of the deferred tax asset depends on the realization of future taxable profits. The period in which each company of the Group has the right to deduct the respective tax loss is in the next 5 financial years.

Year of occurrence of tax loss	Amount (thousand BGN)	Right of use until:
2024	1 230	2028
	1 230	

All deferred tax assets have been recognized in the consolidated statement of financial position.

13. Inventory

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

	31 December 2025 BGN'000	31 December 2024 BGN'000
Computers, laptops	3 095	1 268
Computer components	359	-
Materials and consumables, spare parts	52	399
	3 506	1 667

In 2025, a total of BGN 950 thousand of inventories was recognised as an expense in profit or loss (2024: BGN 970 thousand). This amount also includes an impairment loss on inventories of BGN 2 thousand (2024: BGN 0).

No decrease in expenses resulting from the reversal of impairment losses recognised in previous periods occurred in 2025 or 2024.

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

14. Trade and other financial receivables

	31 December 2025 BGN'000	31 December 2024 BGN'000
Trade receivables, gross	22 110	23 419
Impairment of trade receivables	(463)	(405)
Trade receivables, net	21 647	23 014
Deposits receivable	762	-
Other financial receivables	282	308
Impairment losses on other financial receivables	(282)	(301)
Other financial assets, net	762	7
Trade and other receivables	22 409	23 021

All trade receivables are short term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

All trade and other financial receivables of the Group have been reviewed in respect of events of default and for all trade receivables a simplified approach has been applied to determine the expected credit losses at the end of the period.

Certain trade receivables were found to be impaired and an allowance for credit losses of BGN 111 thousand (2024: BGN 238 thousand) has been recognized within "Other expenses". The impaired trade receivables are mostly due from trade customers that are experiencing financial difficulties.

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

	2025 BGN'000	2024 BGN'000
Balance at 1 January	(706)	(504)
Impairment loss	(111)	(238)
Written off	46	36
Impairment loss reversed	26	-
Balance at 31 December	(745)	(706)

15. Prepayments and other assets

	31 December 2025 BGN'000	31 December 2024 BGN'000
Prepaid amounts to subcontractors	2 009	-
Advances for delivery of goods and services	765	427
Prepaid expenses	673	227
Deposit receivables	81	-
Tax receivables	43	213
Other receivables	27	402
Non-financial assets	3 598	1 269

16. Cash and cash equivalents

Cash and cash equivalents comprise of the following:

	31 December 2025 BGN'000	31 December 2024 BGN'000
Cash at bank and in hand:		
- BGN	6 069	8 249
- EUR	4 732	4 626
- USD	326	268
- ALL	2 074	1 789
- GBP	117	251
- SEK	-	5
- ILS	-	10
Cash and cash equivalents	13 318	15 198

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

17. Financial assets at fair value through profit or loss

	31 December 2025 BGN'000	31 December 2024 BGN'000
Investments in a mutual investment fund	-	313
Current financial assets	-	313

Short-term financial assets are valued at fair value, determined on the basis of stock market quotations at the date of the financial statement.

In 2025, the Group sold the investment in the collective investment fund and realized a profit of BGN 6 thousand.

17.1. Fair value measurement of financial instruments

Financial assets and liabilities measured at fair value in the consolidated statement of financial position are grouped in three levels in accordance with the fair value hierarchy, which is based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data.

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

31 December 2024	Level 1 BGN'000
Financial assets	
Mutual investment schemes	313
Total asset	313

There were no transfers between levels in the fair value hierarchy during the reporting periods.

Determination of the fair value of financial assets level 2

The valuation methods and techniques used in determining fair value are based on the redemption price of the collective investment schemes' units, which is publicly announced by the management company at the end of the reporting period. This price represents a Level 2 input under the fair value hierarchy of IFRS 13, as it is assumed to be a quoted price from an inactive market without further adjustment.

17.2. Amounts, recognized in profit or loss

Gains and losses related to changes in the fair value of financial assets are included in the statement of profit or loss and other comprehensive income in the line Financial income and financial expenses, respectively.

There are no significant interrelationships between the significant inputs (management's assessment of the probability of achieving the contractual target level) and the other unobservable inputs.

18. Equity

18.1. Share capital

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

	2025 Number of shares	2024 Number of shares
Number of shares issued and fully paid, - beginning of the year	59 360 518	59 360 518
Number of shares issued and fully paid	59 360 518	59 360 518
Total number of shares authorized as at 31 December	59 360 518	59 360 518

A detailed list of shareholders is presented in Note 1.

18.2. Treasury shares

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

Type of deal	Date of buy back/sale	Number of buy back of own shares	Price per share buyback of own shares	% of share capital of the Company	Reserve change BGN'000
Sale	09.04.2025	400 000	1	0,67%	-
Purchase	29.05.2025	9 500	1,4168	0,016%	(4)
Purchase	30.05.2025	63 000	1,4456	0,12%	(29)
Purchase	09.06.2025	40 000	1,4916	0,07%	(20)
Purchase	24.06.2025	19 958	1,405	0,03%	(8)
Purchase	07.08.2025	19 709	1,3948	0,03%	(8)
Purchase	26.08.2025	56 060	1,40	0,09%	(23)
Purchase	13.10.2025	15 000	1,38	0,025%	(27)
Purchase	17.11.2025	31 606	1,67	0,05%	(21)
Purchase	16.12.2025	25 000	1,73	0,04%	(40)
					(180)

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

Type of deal	Date of buy back/sale	Number of buy back of own shares	Price per share buyback of own shares	% of share capital of the Company	Reserve change BGN'000
Purchase	24.01.2024	1 000 000	0,74	1,68%	260
Sale	28.05.2024	500 988	0,85	0,84%	(75)
Sale	02.07.2024	590 183	0,96	0,99%	(24)
					161

18.3. Reserves

	Legal reserves	Share premium	Reserve for share-based payments	Reserve from translation of foreign operations	Reserve from revaluations of defined benefit plans	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Balance at January 1 2025	3 199	6 478	-	(82)	-	9 595
Formation of reserves	325	(180)	550	(789)	-	(94)
Balance at 31 December 2025	3 524	6 298	550	(871)	-	9 501
Balance at January 1 2024	6 254	2 501	-	133	-	8 888
Formation of reserves	151	161	-	(215)	-	(97)
Acquisition from business combination	440	-	-	-	-	440
Effect of business combination on infusion	(3 646)	3 816	-	-	(69)	101
Balance at 31 December 2024	3 199	6 478	-	(82)	-	9 595

19. Provisions

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

20. Employee remuneration

20.1. Employee benefit expense

Expenses recognized for employee benefits include:

	2025 BGN'000	2024 BGN'000
Wages, salaries	(50 734)	(41 644)
Social security costs	(5 075)	(4 876)
Employee benefit expenses, capitalized in development for internally developed intangible assets	2 745	2 492
Employee benefits expense	(53 064)	(44 028)

20.2. Pension and other employee obligations

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

	31 December 2025 BGN'000	31 December 2024 BGN'000
Non-current:		
Compensations in compliance with Labour Code	855	741
Non-current pension and other employee obligations	855	741
Current:		
Provisional additional remuneration obligations	55	400
Payroll obligations	2 536	2 828
Social security obligations	888	871
Accrued holiday entitlement	1 748	1 399
Current pension and other employee obligations	5 227	5 498

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

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

- sickness benefit in the amount of his gross wage for a period of 2 months, if he has at least five years of service and has not received compensation on the same grounds in the last 5 years.
- compensation, after acquiring the right to a pension for length of service and old age, irrespective of the reason for termination - in the amount of his gross salary for a period of 2 months, and if he worked with the same employer during the last 10 years of his work experience - compensation in the amount of his gross salary for a period of 6 months.

According to the requirement of the Labor Code, the compensation is paid when the employed person acquires the right to a pension for insurance length of service and age, and its amount is directly dependent on the amount of his gross salary and his length of service with the employer up to that point. This necessitates the need to accurately predict the moment when the person will leave the employer, acquiring the right to compensation. For all persons, this moment is calculated individually, based on their age and gender at the time of the assessment and the required age for acquiring the right to a pension, according to the requirement of the Social Security Code for acquiring the right to a pension for insurance length of service and age from the State Social Security. When predicting the moment of retirement of all persons working under an employment contract in the structures of the company, it is assumed that they will retire upon reaching the age required for acquiring the right to a pension for insurance length of service and age for persons working under the conditions of the third category of labor. When determining the retirement date, the requirement of the Social Security Code for the minimum length of service

required to acquire the right to a pension for insurance length of service and age is also taken into account. When a worker who has reached the required retirement age does not have the required length of service, the retirement date is postponed until he has accumulated this length of service. This requires an accurate prediction of the time of departure of employees, according to the time of occurrence of this right. The amount of the benefit is directly dependent on the person's length of service, and after a certain period of 10 years or more, future length of service does not affect the further amount of the obligation. In order to determine the exact amount of the obligation, it is necessary to forecast the amount of the benefit at the future time when it will be due to the employee and this benefit must be discounted at the time of the assessment of the obligation. As a result of the employment contracts in force in the Company as of 31.12.2025, the payments upon retirement due to illness and due to reaching age and length of service follow the amounts specified in Art. 222, para. 2 and para. 3 of the Labor Code.

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

On the basis of the information provided by the Group on the number of people who left in the last year, the probability of leaving has been calculated. This probability is set in the projections for the future development of staff in relation to the group of voluntarily left and dismissed in this model as an arithmetic mean of 0.2745.

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

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

According to the Group's development plans, the current model envisages 1.5% annual growth of the average gross salary compared to the previous year. The amount of the expected increase in the basic salary is in line with the levels of remuneration in the Group, remuneration in alternative companies on the same market, long-term expectations and projected inflation. Acquisition of pension rights for length of service and age - according to the Social Insurance Code and the underlying plans for increasing the retirement age. If a person cannot qualify for a pension for length of service and old age from the social security services listed in the table, then he / she shall acquire a pension right upon reaching the age of 65 and having at least 15 years of service. From 31.12.2015 the age from the previous sentence is increased from the first day of each following year by 2 months until reaching 67 years.

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

The amount of the liability may also be presented in separate principal items as should be disclosed:

	31 December 2025 BGN'000	31 December 2024 BGN'000
Present value of the liability at the beginning of the period	741	596
Current service costs for the period	114	145
Present value of the liability at the end of the period	855	741

Expenses for current and past service are included in "Employee benefits expense". Net interest expense is included in the income statement and other comprehensive income under "Finance costs" (see Note 30).

21. Borrowings

Borrowings include the following financial liabilities:

	Current		Non-current	
	31 December 2025 BGN'000	31 December 2024 BGN'000	31 December 2025 BGN'000	31 December 2024 BGN'000
Financial liabilities measured at amortized cost:				
Bank loans	1 389	268	7 339	6 009
Interest on bank loans	15	-	-	-
Total carrying amounts	1 404	268	7 339	6 009

All loans are denominated in Bulgarian leva (BGN). The carrying amount of bank loans is considered a reasonable estimate of their fair value.

As of 31.12.2025, Sirma Group Inc. reported credit card liabilities in the amount of BGN 44 thousand (as of 31.12.2024 - BGN 29 thousand), and EngView Systems AD reported credit card liabilities in the amount of BGN 7 thousand (as of 31.12.2024 - BGN 11 thousand).

Bank	Type of loan	Currency	Total amount of credit (BGN)	Outstanding obligation at 31.12.2025 (BGN)	Outstanding obligation at 31.12.2024 (BGN)	Date of contract	Interest rate	Maturity date	Pledges
"Unicredit BulBank" AD	Overdraft	BGN	6 000 000	-	-	12.12.2024	The applicable variable interest rate index and additional interest rate for regular debt for the relevant interest period.	12.12.2027	Pledge of receivables
"United Bulgarian Bank" AD	Bank credit	BGN	9 400 000	8 682 248	6 233 334	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 up to TBGN 9 400, pledge of property
"United Bulgarian Bank" AD	Overdraft	BGN	8 000 000	-	-	10.10.2024	Variable interest rate in the amount of UBB's short-term interest rate /SIP/ for the contract period plus an annual premium.	10.10.2026	Pledge of receivables
"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

22. Lease liabilities

22.1. Leases recognized in the statement of financial position

	31 December 2025 BGN'000	31 December 2024 BGN'000
Lease liabilities – non-current portion	809	691
Lease liabilities – current portion	794	379
Lease liabilities	1 603	1 070

The Group leases building and vehicles. Except for short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group's sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 10).

The right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term. The Group has no right to sell or pledge the underlying leased assets as security. For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Future minimum lease payments at 31 December 2025 were as follows:

	Minimum lease payments due						Total BGN'000
	Within 1 year BGN'000	1-2 years BGN'000	2-3 years BGN'000	3-4 years BGN'000	4-5 years BGN'000	After 5 years BGN'000	
31 December 2025							
Lease payments	815	441	240	71	79	-	1 646
Finance charges	(21)	(12)	(6)	(3)	(1)	-	(43)
Net present values	794	429	234	68	78	-	1 603
31 December 2024							
Lease payments	394	296	250	147	14	-	1 101
Finance charges	(15)	(9)	(5)	(2)	-	-	(31)
Net present values	379	287	245	145	14	-	1 070

Interest expenses under lease agreements included in financial expenses for the year ended 31 December 2024 are BGN 21 thousand (2024: BGN 26 thousand).

The total cash outflow for leasing contracts for the year ended 31 December 2025 is BGN 764 thousand (2024: BGN 585 thousand).

22.2. Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

Expenses for 2025 related to payments not included in the valuation of lease obligations are as follows:

	2025 BGN'000	2024 BGN'000
Short term lease contracts	(331)	(332)
	(331)	(332)

23. Trade and other payables

	31 December 2025	31 December 2024
	BGN'000	BGN'000
Current:		
Trade payables	10 879	9 971
Liabilities to acquire investments in subsidiaries	-	4 169
Financial liabilities	10 879	14 140
Tax payables	1 047	1 147
Other liabilities	30	9
Non-financial liabilities	1 077	1 156
Current trade and other payables	11 956	15 296

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

24. Contract liabilities

	31 December 2025	31 December 2024
	BGN'000	BGN'000
Contract liabilities – advances received for delivery of IT services	4 572	2 359
Total contract liabilities	4 572	2 359

25. Revenue from contracts with customers

Revenue from contracts with customers

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

	Sale of IT equipment				Rendering of services				Total
	Bulgaria	Europe	USA	Others	Bulgaria	Europe	USA	Others	
2025	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Revenue from contracts with customers	44 238	999	1 356	999	31 699	37 410	9 848	3 426	129 975
Revenue recognition									
As a point in time	44 238	999	1 356	999	-	-	-	-	47 592
Over time	-	-	-	-	31 699	37 410	9 848	3 426	82 383
2024	Bulgaria	Europe	USA	Others	Bulgaria	Europe	USA	Others	Total
Revenue from contracts with customers	31 147	1 780	120	3 735	23 590	23 724	11 262	3 567	98 925
Revenue recognition									
As a point in time	31 147	1 780	120	3 735	-	-	-	-	36 782
Over time	-	-	-	-	23 590	23 724	11 262	3 567	62 143

Product lines	2025 BGN'000	2024 BGN'000
Software services	63 685	46 746
Sale of IT equipment	47 592	36 782
Subscriptions	8 898	5 720
Licenses	3 698	2 907
Support	1 949	1 847
Cloud services	1 605	2 870
System integration	870	370
Others	1 678	1 683
	129 975	98 925

26. Other income

	2025 BGN'000	2024 BGN'000
Rental income	318	307
Income from financing	50	40
Other income	421	735
	789	1 082

27. Cost of materials

	2025 BGN'000	2024 BGN'000
Electricity	(604)	(580)
Inventory	(69)	(75)
Office supplies	(50)	(29)
Computer components	(50)	(43)
Others	(177)	(243)
	(950)	(970)

28. Hired services expenses

	2025 BGN'000	2024 BGN'000
Software services	(7 842)	(5 064)
Consultancy services	(6 321)	(1 621)
Subscriptions	(1 196)	(761)
Sub - contracted operations as part of projects	(778)	(2 087)
Advertising and marketing	(762)	(1 219)
Rents	(331)	(332)
Hosting	(306)	(278)
Mobile phones	(268)	(142)
Insurances	(233)	(122)
Software license rental	(222)	(358)
Seminars and training	(203)	(340)
Audit	(186)	(211)
Others	(1 865)	(1 902)
Hired services expenses, capitalized in development for internally developed intangible assets	239	59
	(20 088)	(14 167)

The remuneration for services provided by the registered auditors to the parent company and its subsidiaries for 2025 amounts to BGN 186 thousand. No tax consultancy or other services, not related to the audit, have been provided. This disclosure is made in compliance with the requirements of Article 30 of Bulgarian Accountancy Act.

29. Other expenses

	2025 BGN'000	2024 BGN'000
Social expenses	(817)	(716)
Business trips	(689)	(444)
Written-off receivables	(414)	(7)
Entertainment expenses	(299)	(188)
Impairment of receivables	(211)	(238)
Local taxes and fees	(187)	(100)
Expenses without documents and unrelated to the activity	(106)	(104)
Taxes on expenses	(47)	(42)
Penalties under commercial contracts	(9)	(4)
Donations	(1)	-
Others	(281)	(127)
	(3 061)	(1 970)

30. Finance costs and finance income

Finance costs for the presented reporting periods can be analyzed as follows:

	2025 BGN'000	2024 BGN'000
Expenses on transactions with shares	(752)	-
Losses on foreign exchange operations	(564)	-
Interest expenses on loans	(228)	(32)
Goodwill impairment charges	(155)	-
Interest expenses for finance lease agreements	(22)	(26)
Interest expenses NRA	(7)	(5)
Total interest expenses for financial liabilities not at fair value through profit or loss	(1 728)	(63)
Bank fees and commissions	(173)	(239)
Finance costs	(1 901)	(302)

Finance income may be analyzed as follows for the presented reporting periods:

	2025 BGN'000	2024 BGN'000
Interest income	18	18
Income from operations with financial assets	6	105
Income from foreign exchange operations	-	163
Financial income	24	286

31. Expenses for income taxes

In 2025, the nominal statutory income tax rates for Bulgaria, Romania, Albania, the United Kingdom, Germany, Israel, Dubai, Canada, and the United States are 10%, 16%, 15%, 25%, 30%-33%, 23%, 9%, 26.1%, and 21% average federal tax, respectively.

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

	2025 BGN'000	2024 BGN'000
Profit before tax	4 724	1 481
Tax rate	10%	10%
Expected tax expense	(472)	(148)
Tax effect of:		
Adjustments for non-deductible expenses		
Increase of the financial result for tax purposes	(1 491)	(1 200)
Decrease of the financial result for tax purposes	1 533	1 132
Current tax expense	(430)	(216)
Deferred tax expense:		
Origination and reversal of temporary differences	(176)	(151)
Income tax expense	(606)	(367)

Note 12 provides information on the deferred tax assets and liabilities, including the amounts recognized directly in other comprehensive income.

32. Earning per share and dividends

32.1. Earning per share

Basic earning per share has been calculated using the net earning attributed to shareholders of the parent company as the numerator.

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

	2025	2024
Earning attributable to the shareholders (BGN'000)	2 673	511
Weighted average number of outstanding shares (in thousand)	57 854	57 235
Basic earnings per share (BGN per share)	0.0462	0.0089

32.2. Dividends

By decision of the General Meeting of Shareholders of the parent company dated 3 June 2025, the Group distributed dividends to its owners in the amount of BGN 1 160 thousand (2024: BGN 1 491 thousand). This amount represents a payment of BGN 0.020 per share of Sirma Group Holding AD (2024: BGN 0.190 per share).

33. Related party transactions

The Group's related parties include its owners, associates and key management.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with other related parties

	2025 BGN'000	2024 BGN'000
Sale of services		
- Administrative, accounting services	-	4
- Rents	-	8
- Software services	97	91
Purchases of goods	544	264

Transactions with key management personnel

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

	2025 BGN'000	2024 BGN'000
Short-term employee benefits:		
Salaries including bonuses	1 309	1 100
Social security costs	53	48
Total short-term employee benefits	1 362	1 148
Dividends	434	655
Total remunerations	1 362	1 148

34. Related party balances at year end

	31 December 2025 BGN'000	31 December 2024 BGN'000
Current receivables from:		
- other related parties under common control		
- loans	295	295
- impairment	(124)	(24)
- trade receivables	100	86
- impairment	(28)	(28)
- key management personnel		
- trade and other receivables	-	49
- loans	83	95
Total current receivables from related parties	326	473
Total receivables from related parties	326	473
Non-Current payables to:		
- other related parties under common control		
- payables related to capital reduction	164	245
Total non-current payables to related parties	164	245
Non-Current payables to:		
- other related parties under common control		
- trade and other receivables	17	13
- dividends	-	99
- key management personnel		
- other payables	6	9
- dividends	1 829	1 151
- payables related to capital reduction	82	82
- loan	78	119
Total current payables to related parties	2 012	1 473
Total payables to related parties	2 176	1 718

The change in the amount of the adjustment for expected credit losses on receivables from related parties can be presented as follows:

	2025 BGN'000	2024 BGN'000
Balance as of 1 January	(52)	(54)
Impairment losses	(100)	-
Collected impaired receivables	-	2
Balance as of 31 December	(152)	(52)

Certain trade receivables have been impaired on a stand-alone basis and the corresponding impairment loss of BGN 100 thousand (2024: BGN 0) has been recognized in the consolidated statement of profit or loss and other comprehensive income under the line "Other expenses".

35. Reconciliation of liabilities arising from financing activities

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

	Long-term borrowings	Short-term borrowings	Lease liabilities	Purchased own shares, interest, acquisition of non-controlling interest	Liabilities to owners for return of capital contributions	Dividends	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
1 January 2025	6 009	268	1 070	(1 689)	327	1 250	7 235
Cash flows:							
Repayment	-	(435)	(764)	(415)	(81)	(2 615)	(4 310)
Proceeds	1 330	1 343	-	400	-	-	3 073
Non-cash:							
Interest	-	228	22	-	-	-	250
Share issue reserve	-	-	-	135	-	-	135
Occurrence of lease liabilities	-	-	1 275	-	-	-	1 275
Accrual of dividends	-	-	-	-	-	3 250	3 250
Accrued dividend tax	-	-	-	-	-	(56)	(56)
31 December 2025	7 339	1 404	1 603	(1 569)	246	1 829	10 852
	Long-term borrowings	Short-term borrowings	Lease liabilities	Purchased own shares, interest, acquisition of non-controlling interest	Liabilities to owners for return of capital contributions	Dividends	Total
	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
1 January 2024	-	578	1 872	(1 799)	410	244	1 305
Cash flows:							
Repayment	-	(2 298)	(585)	(740)	(83)	(1 580)	(5 286)
Proceeds	6 009	1 956	-	993	-	-	8 958
Non-cash:							
Effect of business combinations	-	-	(1 705)	18	-	1 151	(536)
Interest	-	32	26	-	-	-	58
Share issue reserve	-	-	-	(161)	-	-	(161)
Occurrence of lease liabilities	-	-	1 462	-	-	-	1 462
Accrual of dividends	-	-	-	-	-	1 491	1 491
Accrued dividend tax	-	-	-	-	-	(56)	(56)
31 December 2024	6 009	268	1 070	(1 689)	327	1 250	7 235

36. Non-cash transactions

The Group did not carry out any non-cash transactions in 2025.

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

37. Contingent assets and contingent liabilities

The parent company is a guarantor for loans granted to related parties as follows:

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

Litigations

No claims were brought against the Group.

Tax obligations

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

38. Categories of financial assets and liabilities

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

Financial assets	Note	31 December 2025 BGN'000	31 December 2024 BGN'000
Financial assets at fair value through profit or loss:			
Trade and other financial receivables	14	21 647	23 021
Related party receivables	34	326	473
Cash and cash equivalents	16	13 318	15 198
Current financial assets	17	-	313
		35 291	39 005
Financial liabilities			
	Note	31 December 2025 BGN'000	31 December 2024 BGN'000
Financial liabilities measured at amortized cost			
Borrowings:			
non-current	21	7 339	6 009
current	21	1 404	268
Finance lease liabilities:			
non-current	22	809	691
current	22	794	379
Trade and other payables	23	10 879	14 140
Related party payables			
non-current	34	164	245
current	34	2 012	1473
		23 401	23 205

39. Financial instrument risk

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarized in note 38. The main types of risks are market risk, credit risk and liquidity risk.

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

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

39.1. Market risk analysis

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

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

39.1.1. Foreign currency risk

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

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

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into Bulgarian leva at the closing rate:

	Short-term exposure	
	USD BGN'000	GBP BGN'000
31 December 2025		
Financial assets	9 192	1 002
Financial liabilities	(128)	(236)
Total exposure	9 064	766
31 December 2024		
Financial assets	1 306	106
Financial liabilities	(242)	-
Total exposure	1 064	106

The following tables illustrate the sensitivity of post-tax financial result for the year and equity in regards to exchange rate differences between the Bulgarian Lev (BGN) and the following currencies 'all other things being equal:

- US Dollars (USD) +/- 7.7 % (for 2024: +/- 2.6 %)
- Pound Sterling (GBP) +/- 4.2 % (for 2024: +/- 2.7 %)

All other parameters are assumed to be constant.

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into.

31 December 2025	Increase of the exchange rate BGN/foreign currency		Decrease of the exchange rate BGN/foreign currency	
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
US Dollars (USD) (+/- 7.7%)	(626)	(626)	626	626
Pound Sterling (GBP) (+/- 4.2%)	(29)	(29)	29	29

31 December 2024	Increase of the exchange rate BGN/foreign currency		Decrease of the exchange rate BGN/foreign currency	
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
	US Dollars (USD) (+/- 2.2%)	(25)	(25)	25
Pound Sterling (GBP) (+/- 2.53%)	(6)	(6)	6	6

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

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

39.1.2. Interest rate risk

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

In 2025 The Group is not exposed to a significant risk of changes in market interest rates under the investment loan agreement as the interest rate did not change during the year. All other financial assets and liabilities of the Group have fixed interest rates.

The tables 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)

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)

39.2. Credit risk

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

Financial assets	Note	31 December 2025 BGN'000	31 December 2024 BGN'000
Financial assets at fair value through profit or loss:			
Trade and other financial receivables	14	21 647	23 021
Related party receivables	34	326	473
Cash and cash equivalents	16	13 318	15 198
Current financial assets	17	-	313
		35 291	39 005

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

The Group's management has performed an analysis of the settlements with its counterparties, as well as the potential effect on their credit quality, incl. in terms of forming a reasonable amount of expected credit losses,

according to the adopted model for determining them in accordance with IFRS 9. Based on the analysis, and taking into account the collection of receivables in the period after the pandemic, until the date of preparation of the pandemic In this consolidated financial statement, the Management Board considers that in the short term there are no indications of deterioration in the credit quality of counterparties, and that there are currently no grounds to change the model for calculating expected credit losses, including due to lack of credit losses. sufficiently reliable data. The long-term perspectives and potential effects on the collection and credit quality of the estimates are subject to constant monitoring and updating by the Management.

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

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

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

39.3. Liquidity risk

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

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31 December 2025 the Group'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	
Borrowings	702	702	7 339	
Finance lease obligations	408	408	831	
Trade and other payables	10 879	-	-	
Related party payables	2 012	-	164	
Total	14 001	1 110	8 334	

This compares to the maturity of the Group'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	Over 5 years
	BGN'000	BGN'000	BGN'000	BGN'000
Borrowings	-	268	5 616	393
Finance lease obligations	197	197	707	-
Trade and other payables	14 140	-	-	-
Related party payables	1 473	-	245	-
Total	15 810	465	6 568	393

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

Financial assets used for managing liquidity risk

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

40. Capital management policies and procedures

The Group's capital management objectives are:

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

The Group monitors capital on the basis of the correlation between capital and net debt.

Net debt comprises of total liabilities/ total borrowings/total borrowings, trade and other payables less the carrying amount of cash and cash equivalents.

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

	31.12.2025	31.12.2024
	BGN'000	BGN'000
Equity	85 113	84 587
Total liabilities/Total borrowings/Total borrowings, trade and other payables	36 094	33 936
- Cash and cash equivalents	(13 318)	(15 198)
Net debt	22 776	18 738
Adjusted capital to net debt	3.74:1	4.51:1

The ratio-change during 2025 is primarily a result of the increase of liabilities and decrease of cash and cash equivalents.

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

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

41. Post-reporting date events

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).

Buyback of shares by the parent 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.

On 30.03.2026 "Sirma Group Holding" AD bought back 50 430 of its shares at an average price of EUR 0,9811 per share for a total value of EUR 49 478,90. The shares represent 0,085% 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 Djonev - 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.

Purchase of shares of Sirma Group Holding AD by a member of the Board of Directors

On 30.03.2026, the registry of Sirma Group Holding AD received a letter-notification from Atanas Kiryakov - member of the Board of Directors of Sirma Group Holding AD for the purchase of 10 969 shares of the capital of Sirma Group Holding AD through transactions carried out on the Bulgarian Stock Exchange - Sofia on 30 March 2026 at an average price per share of EUR 0.9082.

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

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

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

Introduction of the euro in the Republic of Bulgaria

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

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

42. Authorization of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2025 (including comparatives) were approved for issue by the Board of directors on 23.04.2026.



Annual Consolidated Management Report

of "Sirma Group Holding" AD
for 2025

Key financial indicators for 2025

Revenue

130 786 BGN'000
30.77% ↑

EBITDA

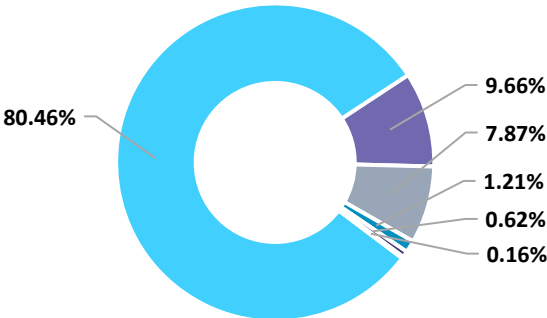
10 458 BGN'000
80.68% ↑

Net Profit

4 118 BGN'000
269.66% ↑

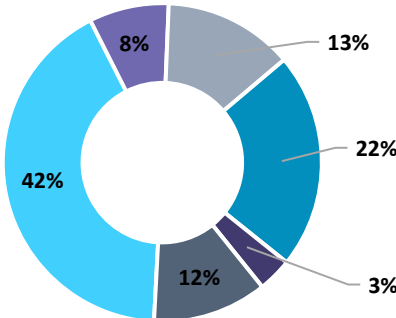
(Percentage changes are calculated relative to 2024)

Revenue by region



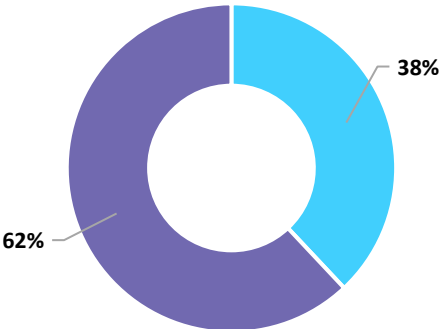
- Europe - 105 231 BGN'000
- North America - 12 638 BGN'000
- United Kingdom - 10 292 BGN'000
- Asia - 1 587 BGN'000
- South America - 814 BGN'000
- Australia - 211 BGN'000
- Africa - 13 BGN'000

Revenue by segment



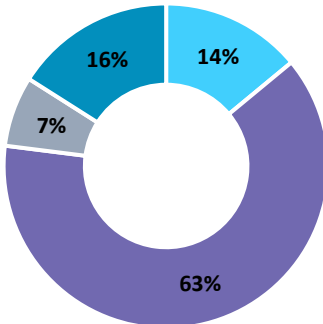
- System Integration - 54 554 BGN'000
- Hospitality - 10 597 BGN'000
- Financial Industry - 17 245 BGN'000
- IT Services - 28 679 BGN'000
- Manufacturing - 4 518 BGN'000
- Strategic Development - 15 193 BGN'000

Recurring revenue

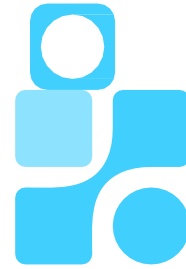


- Total Recurring Revenue - 49 415 BGN'000
- Other Revenue - 81 371 BGN'000

Recurring revenue by type



- Support and Service - 7 048 BGN'000
- IT Systems Development and Management - 31 259 BGN'000
- Subscriptions and Licenses - 3 313 BGN'000



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Message from the CEO

Dear shareholders, partners and colleagues,

Sirma Group Holding ended 2025, recording strong and sustainable growth. The published consolidated results confirm that our strategic focus on high-value IT services, international diversification and operational discipline are delivering measurable results.

During the year, we achieved consolidated revenues of EUR 66.87 million, representing a growth of 30.77% year-on-year, EBITDA of EUR 5.35 million (+80.68%) and net profit of EUR 2.11 million.

These results are not accidental. They reflect our consistent positioning as an IT service company, in which over 90% of revenues are from software development, IT consulting, system integration and cloud solutions, as well as targeted investments in artificial intelligence and recurring revenues. Europe remains our leading market, and our expanded presence in North America and the United Kingdom contributes to greater business sustainability.

A significant development during the year was the preparation for our dual listing, which puts Sirma in a new league in terms of transparency, liquidity and access to international investors. In parallel, we continued to optimize our cost structure, strengthen cash flows and invest in our most valuable asset – our people and their expertise.

We enter 2026 with confidence, a solid financial foundation and a clear growth plan.

I want to thank the shareholders for their trust, the clients – for their partnership, and the Sirma team – for the professionalism and dedication with which we turn the strategy into real results.

Yours sincerely,



Tsvetan Aleksiev

CEO
Sirma Group Holding AD

1/ Statement by the board of directors

The present annual consolidated management of “Sirma Group Holding” AD covers the period, ending on 31 December 2025 and was prepared in accordance with the provisions of Article 39 of the Accountancy Law and Art. 100o, para. 2 and 5 of the the Public Offering of Securities Act (POSA), including also the established events, occurring after the balance sheet date. The structure of this report is in accordance accordance to Article 12 of Ordinance No. 2 of of the Financial Supervision Commission (FSC).

The board of directors of the holding confirms that:

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

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

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

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

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

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

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

responsible business units.

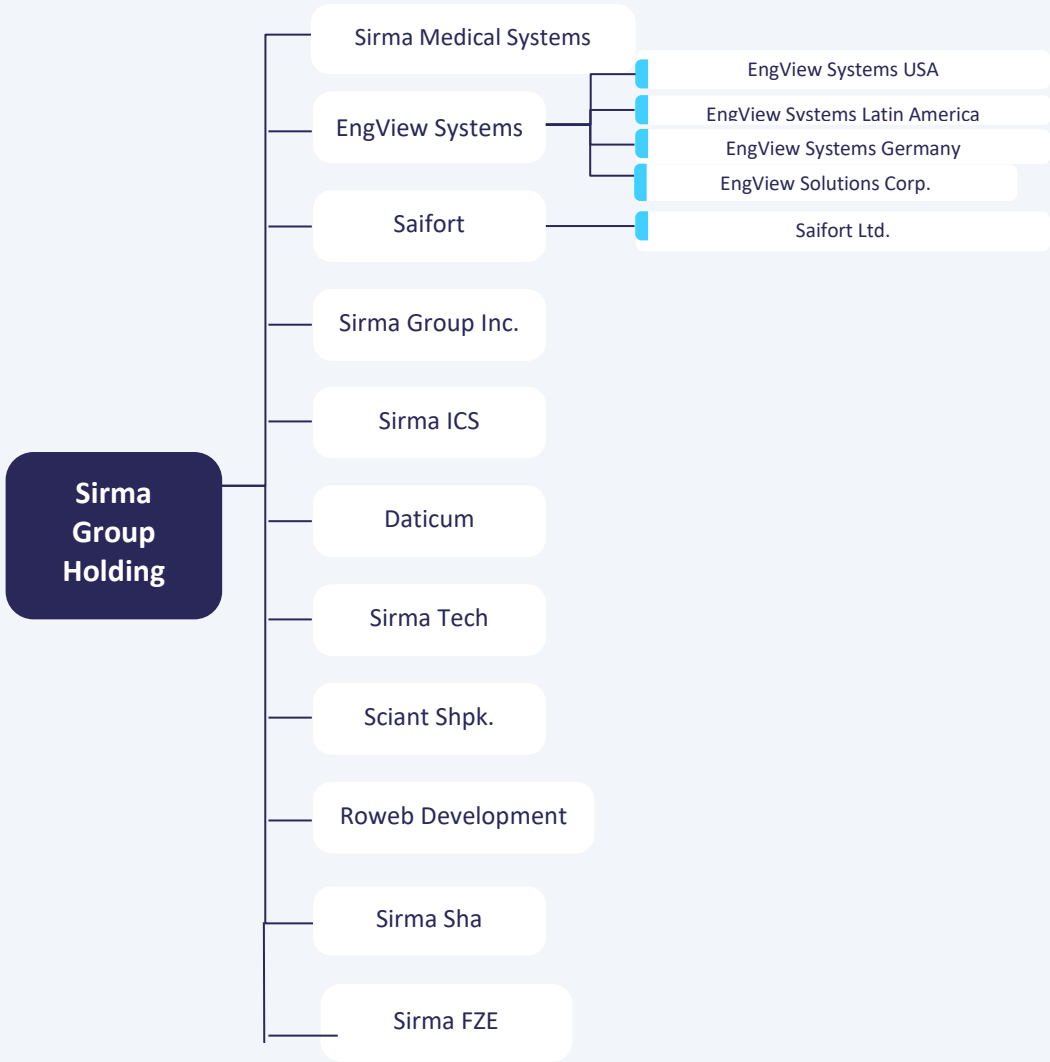
The reporting period is the financial year ending on 31.12.2025. The report includes Sirma Group Holding AD and all subsidiary companies of the Group without EngView Systems Latin America and Sirma ISG, which are excluded from consolidation due to lack of relevance.

2/ Organization

“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.



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.

Changes in the statement of activity

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

On 23.03.2009 Sirma Group Holding changed its scope of activity as follows: Acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, surrender of licenses for use of patents of companies in which the holding company participates, financing of the companies in which the holding company participates, organization of the accounting and preparation of financial statements under the order of the Law for Accounting. The company may also carry out its own commercial activity, which is not prohibited by law.

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

Share 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.

History of shareholder capital

The company was incorporated with BGN 50 000 of capital.

On 15.10.2008, after the adoption of three triple expert appraisals of experts, the share capital was increased from BGN 50 000 to BGN 77 252 478 through non-cash contributions and issuance of new 77 202 478 shares. Non-cash contributions are as follows:

- 1) 29 software modules worth 61 555 838 BGN;
- 2) Non-monetary contribution representing real estate amounting to 3 911 660 BGN:

☒Office building - offices, floor 3 and floor 5 of an office building located in the city of Sofia, 135 "Tsarigradsko shose" blvd., owned by "Sirma Group" AD, a company registered in the Commercial Register at the UIC Registration Agency 040529004, with registered office and management address in the city of Sofia, "Mladost" district, "Tsarigradsko shose" boulevard No. 135, accepted as a shareholder in "SGH" AD by decision of the General Assembly of "SGH" AD from 10.07.2008.

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

A total of 81 690 shares of the total amount of 11 734 980 BGN (143.6526 BGN per share) of the capital of "Sirma Group" AD, registered in the Commercial Register at the Registry Agency UIC, 040529004.

On 22.10.2010 as a result of the decision of the regular annual general meeting of the Company's shareholders, a

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

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

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

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

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

3/ Structure of shareholders capital and management authorities

3.1. 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)	% Share-holding	% 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%	39,31%
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.

3.2. 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” 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:
 - 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" 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 2025:
 - 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

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	1 066 046	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	22 823 609		22 823 609	38,45%	39,49%

In 2025, the following transactions were made with shares of the Company and the members of the Board of Directors:

- Yavor Lyudmilov Dzhonev sold 2 000 shares.

Remuneration of the members of the Board of Directors of "Sirma Group Holding" AD

	31.12.2025 BGN '000	31.12.2024 BGN '000
Short-term employee benefits:		
Salaries including bonuses	1 309	1 100
Social security costs	53	48
Total short-term employee benefits	1 362	1 148
Dividends	434	655

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

4/ Functioning of the group

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

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

Subsidiaries of "Sirma Group Holding" AD

Name of the subsidiary	Country of incorporation and principal place of business	Main activities	Segment	31.12.2025	31.12.2024
				%	%
Saifort EAD	Bulgaria	Software services	System Integration	100%	100%
Saifort Ltd.	Israel	Software services	System Integration	70%	70%
Roweb Development	Romania	Software services	IT Services	51%	51%
Sirma Group Inc.	USA	Software services	IT Services, Strategic development	100%	100%
Sirma Sha	Albania	Software services	IT Services	55%	55%
Sirma Tech	UK	Software services	Financial Industry	100%	100%
Daticum AD	Bulgaria	Software services	System Integration	59%	59%
"Sirma ICS" AD	Bulgaria	Software services	Strategic development	93%	93%
Sciant Shpk	Albania	Software services	Hospitality, Strategic development	100%	100%
“Sirma Medical Systems” AD	Bulgaria	Software services	Strategic development	66%	66%
“EngView Systems” JSC	Bulgaria	Software package development	Manufacturing	72,90%	72,90%
EngView Systems GmbH	Germany	Software package development	Manufacturing	72,90%	72,90%
EngView USA	USA	Software package development	Manufacturing	72,90%	72,90%
EngView Systems Latin America	Brazil	Software package development	Manufacturing	69,26%	69,26%
Engview Solutions Corp.	Canada	Software package development	Manufacturing	69,26%	69,26%
“Sirma ISG” OOD	Bulgaria	Software services	Strategic development	71%	71%
“Sirma FZE”	UAE	Software services	Strategic development	100%	-
“Sirma AB”	Sweden	Software services	IT Services	-	100%

Information on participation

Apart from the above mentioned participations of the parent 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.

5/ “Sirma Group Holding” AD in 2025

5.1. The business of Sirma

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

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

Sirma is a globally recognized company in areas such as financial technology, transportation and logistics, hospitality, healthcare technology and some classes of industrial technology. One of Sirma's products - EngView Package Designer Suite CAD is part of the packaging design and production solutions of world leaders in the printing industry. The Group is among the regional leaders of the IT market, with 60% of operators in the financial sector as clients. The Group's clients are among the world's largest logistics companies, the largest hotel chains, international banking and European institutions. One of the Group's products in the field of health care - Diabetes:M is in the Top3 global products for the managing diabetes. Sirma has a strong presence in the US market, executing a huge number of IT consulting projects. One of the companies in the group - Daticum is a first-class regional provider of cloud services with a Class 4 Data Center, licensed for data storage by the BNB and other organizations requiring increased data security. Through one of its companies, the Group is a leader in the delivery of SaaS for insurance intermediaries. Our philosophy for our strategic technologies and solutions is that we embed a sense of human thought – perception, interpretation, prediction and decision making. AI-based technologies have been in Sirma's DNA since its inception. In 2022, Sirma sold a majority stake in one of its subsidiaries, Sirma AI, and in early 2023, its remaining stake in it. Sirma AI (now Ontotext AD) is a company founded by Sirma and working in the field of semantic technologies. The flagship product of Sirma AI is GraphDB – one of the best graph databases in the world. An undeniably successful company, Sirma AI has reached the level where in order to continue to develop successfully and compete with its strong American competitors (companies such as Neo4J, Microsoft, Amazon, Oracle, IBM) it needs very large investments, such as Sirma can not afford. The company was valued at nearly 30M euros, which is an excellent reference for Sirma's abilities to create and develop successful businesses. In the last 2 years, Sirma's strategy has changed dramatically. The realities of business are such that it is almost impossible to develop a product business without significant investments. That's why Sirma started positioning itself as a service company with deep expertise in several strategic verticals and powerful solutions, often supported by AI technologies. The main revenue, focus, marketing and growth are concentrated in the service-related activity - software development, IT consulting, system integration, cloud services, etc. This activity generates over 90% of the group's business. Sirma also retains an investment part - its product companies such as EngView and Sirma Medical Systems. R&D and product development is done in these companies. The companies and businesses in the investment part of the Group can be subject to investments - internal and external, they can be sold to a strategic buyer, as we have already proven that we can successfully do (the sale of Sirma AI). Growth in the main - service part of the company takes place organically and through acquisitions. Here, the model is clear, understandable for investors, with a fairly clearly established dependence "investment size - growth". The investment part is more risky, but the chances of a "breakout" or a "very successful deal" are also much greater.

Sirma's mid-term goal is to reach 100+ million euro in revenue and list on a major global exchange.

5.2 Economic trends

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 reached 3.4% in 2024, driven by private and public consumption. Investment accelerated in the first half of 2025, boosted by increased absorption of RRF funds. However, consumption and investment are expected to decline in the second half of 2025 due to a lower contribution from the public sector in response to lower-than-planned government revenues. In 2026 and 2027, private consumption growth is expected to moderate in line with slowing growth of wages and social transfers. Private investment is forecast to continue supporting growth as business confidence improves, in the context of the euro adoption. The acceleration of EU funds absorption that started in 2025 is expected to continue into 2027. Exports contracted in early 2025, partly due to maintenance works done by two major exporters, but growth is expected to resume in the second half of the year and continue over the forecast horizon. Imports are also expected to increase, driven by rising domestic demand, and defense spending which is set to drive up imports in late 2025 and in the course of 2027, because of planned major defense equipment. Overall, the contribution of net exports to GDP remains slightly negative until 2027. Real GDP is forecast to grow by 2.7% in 2026 and 2.1% in 2027.

The general government debt-to-GDP ratio is forecast to increase from 23.8% in 2024 to 28.5% in 2025, then to 30.6% in 2026 and 32.6% in 2027. The large increase in 2025 comes from debt refinancing operations and planned capital injections into the Bulgarian Energy Holding and the Bulgarian Development Bank. The potential statistical reclassification of capital injections into deficit increasing measures and the permanent increases in public sector wages and pensions, that remain not fully compensated by higher government revenue, represent important downside risks to the budgetary balance forecast.

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 highlights the need for macroprudential measures to manage household credit growth and recommends improving the business environment and tackling informality to boost investment and labour force utilization.

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

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

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

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

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

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

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

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

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

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

GDP growth in the Euro Area is projected to pick up gradually from 1.3% in 2025 and 1.2% in 2026 to 1.4% in 2027 as domestic demand strengthens and trade rebounds. Private consumption will be supported by resilient labor markets and increasing real incomes. Private investment will be constrained by uncertainty but will benefit from improved

financing conditions, while public investment will be supported in 2026 by the Recovery and Resilience Facility funds. Wage growth is projected to ease gradually, helping inflation to remain broadly on target.

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

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

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

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

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

These risks are:

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

The Industry of Sirma

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

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

- IT Services: Including system integration, infrastructure as a service (IaaS), software as a service (SaaS), software support, consulting, and managed services.

- Business Software: Covering diverse software products and services tailored to various business verticals, along with custom software development.

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

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

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

The global ICT market in 2025 and future forecast

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

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

	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.

5.3 Additional information for 2025

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.

5.4 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.

5.5 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 June 17, 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 dirhams and is 100% owned by Sirma Group Holding AD. Divided into 100 shares with a nominal value of 1,000 dirhams each. The company has no legal requirement to contribute capital to Sirma FZE and, accordingly, at the end of the reporting period, the capital has not been contributed. For this reason, the value of the investment in Sirma FZE is 0 BGN.

5.6 Information for contracted large transactions in 2025

In 2025, the Group made several large contracts with customer and subcontracts, in connection with the new strategy of the Group:

Purchases:

- Deal 1 for BGN 6 658 thousand
- Deal 2 for BGN 5 709 thousand
- Deal 3 for BGN 5 509 thousand

Sales:

- Deal 1 for BGN 7 469 thousand
- Deal 2 for BGN 6 280 thousand
- Deal 3 for BGN 6 214 thousand

5.7 Information of the used financial instruments in 2025

In 2025 the company has not used any financial instruments.

5.8 R&D activity of the company in 2025

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

5.9 Possible future development of the company

The forecasts for the development of the Information and Communication Technologies sector in 2026 and the following years are a function of the effects caused by the ongoing military actions in Ukraine and the Middle East, the actions of the new US administration, and the state of major European economies.

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

expected to be associated risks in 2026. There is also serious uncertainty regarding the stability of Bulgaria's newly elected regular government and its capacity to deal with the economic challenges after Bulgaria's entry into the Eurozone.

In 2024, the integration of six subsidiaries of the Group into Sirma Group Holding AD was completed. In 2026, we expect this to lead to better competitiveness and market positioning of the Group, which will contribute to the creation of new business opportunities, providing clients with a wider and more diverse range of services, professional growth and development of our employees, optimization of administrative processes, respectively, better productivity, communication and cooperation between employees and units in the Group.

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

5.10 Contracts under Art.240b of the Commercial Code in 2025

During 2025 the Group has not been notified for contracted transactions with the members of the Board of Directors or parties related to them, which fall outside the line of activity of the company or the terms of which differ substantially from the current market.

5.11 Audit remuneration in 2024

„Grant Thornton“ OOD, registered under number 032 in the public register of audit firms with the Institute of Certified Public Accountants in Bulgaria, was selected as the auditor of the separate and consolidated annual financial statements of „Sirma Group Holding“ AD.

The amount of the audit fee for the separate and consolidated annual financial statements of the parent company and the annual financial statements of its subsidiaries for 2025 is BGN 186 thousand. This disclosure is in compliance with the requirements of Art. 30 of the Accountancy Act.

6/ Results by company

6.1 “Daticum”

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

Main markets:

Bulgaria, North and South America, Europe

Main clients:

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

Main competitors:

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

Business model of the company

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

Resources of the company

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

New products, new business or business models for the period

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

HR policy

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

Daticum in 2025

Business Development Conditions in 2025

Bulgaria is establishing itself as a regional technology hub, with a rapidly developing ecosystem in areas such as artificial intelligence and deep technologies. The growth of AI solutions leads to increased complexity, risks of unmanaged use of AI (shadow AI), and higher requirements for security and regulatory compliance. In this context, organizations are increasingly looking for managed cloud services with built-in mechanisms for control, security and AI management, instead of standalone virtual infrastructure.

Forecasts for 2025 indicate double-digit global growth of cloud services, with the fastest growing segment of AI-supported managed cloud solutions.

The accelerated penetration of edge computing, IoT and connected devices leads to highly decentralized IT environments with increased complexity and risk. This requires a transition from traditional security models to architectures with "zero trust", automated management and the use of AI for real-time incident detection and response. At the same time, organizations are increasingly looking for platforms that combine high performance, rapid recovery, and central control. In response to these trends, Daticum is developing infrastructure and services with NVMe-based instant recovery, AI-powered cybersecurity, and automated operational processes aimed at reducing risk and operational burden for customers.

Regional and international factors affecting the company's business

Global geopolitical instability and economic uncertainty continue to put pressure on IT markets, leading to more cautious investment planning and higher requirements for sustainability and cost control. At the same time, the increasing complexity of technological environments, the accelerated implementation of AI solutions and the risks of unmanaged use of AI (shadow AI) increase operational and regulatory requirements for organizations. In this context, relatively stable energy costs in Bulgaria remain a competitive advantage, but fluctuations in the prices of hardware, licenses and AI infrastructure require longer-term planning and an orientation towards managed, optimized and automated services.

Operational activity in 2025

In 2025, Daticum reported growth despite increased costs for implementing new hardware. The platform continues to develop actively, integrating more and more tools to support customers and effectively manage their virtual resources. An evaluation of alternative virtualization platforms has begun in order to optimize costs, expand services and increase revenues.

We successfully launched Instant Recovery Backup - a new backup and recovery service based on NVMe flash technologies. The solution provides almost instant data recovery, ransomware resistance and an isolated environment for protecting critical systems.

Daticum renewed its ISO 27017 and ISO 27018 certificates. According to the company's experts, almost all breaches in the cloud are the result of preventable errors, so an emphasis was placed on correct configurations and strict access control. Multi-factor authentication, data encryption and automated monitoring with regular vulnerability tests have been implemented.

Important events

- A new functionality was introduced in the virtual resource orchestration and management platform, which allows customers to independently activate the desired resources in backup mode when needed.
- During this period, we successfully implemented and launched the new Instant Recovery Backup service - a high-performance backup and recovery service based on NVMe flash technologies. The solution offers almost instant data recovery, immunity against ransomware attacks and isolated recovery zones, ensuring full business continuity.
- A new client portal has been launched, providing greater transparency and control over the services and resources used.
- An internal innovation program has been launched, aimed at developing AI-based services.
- A memorandum of cooperation has been signed with a Bulgarian university in the field of research and training.
- The platform has the NVMe Instant Recovery Backup module, which allows for near-instant recovery and ransomware-proof zones. Customers can now activate backup resources themselves, which increases flexibility.
- New procedures for notification and incident management in connection with the NIS2 directive are being implemented. Daticum is among the few companies in Bulgaria with both ISO 27017 and ISO 27018 certificates, which strengthens its position.
- There is increased customer interest in comprehensive endpoint protection and integrated cybersecurity, including Endpoint Protection and Endpoint Detection and Response, XDR, solutions.

New contracts:

New contracts were signed with clients, expanding the client base, and partnerships were renewed and expanded with key corporate clients from the telecommunications sector. An international online payments company selected Daticum to provide cloud infrastructure for the expansion of its operations in Southeastern Europe. In addition, new partnerships were established with consulting firms and IT companies, with the aim of expanding the market presence and offering joint solutions.

Implementation of the business plan in 2025

The company reported cloud revenue growth of about 17,28% year-over-year, with total revenue for the quarter higher. Costs are down, but support and depreciation remain significant.

A focus on automation, AI integrations, resilience, and security is attracting new customers, but hardware price fluctuations and long lead times continue to create tension.

Perspectives and forecasts for 2026

Demand for cloud and hybrid infrastructures will continue to grow, but with a clear shift from pure public clouds to managed, optimized and hybrid models, especially among SMEs and enterprise customers with controlled budgets. Public cloud spending growth remains strong and is expected to exceed \$720 billion, with the main driver no longer being infrastructure scaling, but the consumption of AI services, managed platforms and solutions with built-in security and cost control. Daticum will expand its portfolio of services related to AIOps, edge computing and automated recovery, as well as invest in new AI features and self-service tools.

The company aims to achieve annual revenue growth of more than 10% by expanding its customer base and offering new services. It expects a partial recovery in demand for colocation and hardware rental in the second half of the year.

FINANCIAL RESULTS

	31.12.2025	31.12.2024	Change BGN '000	Change %
Revenues	3 697	3 473	224	6,45%
EBITDA	1 566	1 494	72	4,82%
Depreciation	(591)	(615)	24	3,90%
Net Result	875	787	88	11,18%
EBITDA margin	42,36%	43,02%	(0,66%)	(1,53%)
Net Profit margin	23,67%	22,66%	1,01%	4,45%
Sales per share	1,6060	1,5087	0,10	6,45%
EPS	0,3801	0,3419	0,038	11,18%
ROE	0,4603	0,4341	0,026	6,03%
Total Assets	3 013	3 321	(308)	(9,27%)
Intangibles	859	1 140	(281)	(24,65%)
Book value	1 042	673	369	54,83%
Equity	1 901	1 813	88	4,85%
Total Liabilities	1 112	1 508	(396)	(26,26%)
Interest bearing	219	290	(71)	(24,48%)
D/E	0,5850	0,8318	(0,25)	(29,67%)
ROA	0,2904	0,2370	0,053	22,55%

6.2. „EngView Systems“

- **“EngView Systems” JSC is subsidiary company of “Sirma Group Holding” AD**
- **Capital** : BGN 68 587
- **Shares**: 68 587 ordinary named voting shares, with right to dividend and liquidation share, proportional to the participation in the capital. Sirma Group Holding owns 50 000 shares or 72,9 % of the company capital.

EngView Systems in 2025

Conditions for business development in 2025

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

In the last few years, packaging production has been carried out using traditional offset printing and digital printing presses, which increase the possibilities for personalization and more effective automation of processes. They are now used to print quality packaging, labels or displays and digital printing presses. Based on these productions, niche

markets are also supported, related to personalization, small runs of cardboard and corrugated packaging, products for advertising purposes and better visualization of selected brands (racks) or entire structures, exhibition stands, shows, printed and cut from thick sheet materials (Rigid Board). In almost all markets, there is a trend towards the introduction and production of materials and products from them that are directly related to nature conservation and are environmentally friendly, easily recycled and processed. Sustainability of production is maintained by seeking innovations and solutions for preserving the environment.

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

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

The company continues to develop its core product for the packaging industry, the Packaging Suite. During the year, the main version 2025 of the CAD product was released, continuing the policy of Continuous Delivery. The company focuses its efforts on continuously improving functionalities, allowing customers to become more efficient, faster, and more easily offer their products.

The purchase of services on a subscription basis is a very important trend in the global market in the last few years. This is due to the advent of cloud technology and the ability to sell even very complex software products as services rather than licenses. This makes them more affordable both in terms of price and in terms of time to master and start in real business. Like many other software companies, EngView has successfully promoted its subscription model. In 2025 saw a doubling of subscription revenue compared to 2024.

This year, a new page was launched on the main website to promote cloud and desktop-based specialized services and innovative technologies. On their basis, client websites can be developed, as well as integrations with other products from the industry to complement workflows or increase productivity. The company is seriously investing in improvements to its web-based technologies, which are already successfully used in websites for web-to-pack solutions and integrations with other solutions to expand customers' businesses.

In 2025, EngView was presented at several exhibitions in the various industries in which it is positioned. Through the joint marketing efforts of the company from Bulgaria and its subsidiaries in the USA, Brazil and Germany, products for the packaging industry were presented at specialized exhibitions in Nuremberg, Orlando, Chicago, Toronto, São Paulo, Warsaw, Riyadh.

EngView Systems USA participated together with the Japanese manufacturer Mimaki at various events and exhibitions, thereby promoting their partnership. ISA's visit to Las Vegas was a success, where various meetings were held with current and potential partners. The company also became a member of the prestigious US Packaging Manufacturers Association.

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

The German company EngView Systems GmbH continues to grow its sales revenue, search for new large partnerships and customers. The study of the CAD system was successfully introduced as a subject at two universities in Germany. Together with its German company EngView, it participated in the prestigious international exhibition FachPack in

Nuremberg with an innovative stand, entirely made using the CAD system and from environmentally friendly materials that are recyclable. Numerous demonstrations were made with the aim of new partnerships in the DACH region, as well as for end customers. Relationships with names in the industry, popular for their innovative solutions and integration potential, were renewed. The company achieved a doubling of its revenue growth for 2025 and continues to implement its plan to increase the team and expand the market.

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

New versions of all metrology products were released. Numerous customer visits were made, their machines were calibrated, and their production process was supported through advanced training.

Online demonstrations of ScanFit&Measure are being held as well as visits to factories that need measuring systems for quality control. ScanFit&Measure took part in several prestigious exhibitions in the USA, China, Germany, India, Turkey and the largest in Düsseldorf, Germany. Sales of this product are increasing, campaigns continue worldwide. In 2025 the company and its measuring products are also being prepared for participation in the USA and the search for a new target group in the Glass Build industry. The USA is proving to be one of the most successful markets for these products and accordingly the marketing and sales efforts are growing through the involvement of the American company, which is actively conducting training for after-sales service at the local level for these customers.

Regional and international factors influencing the business of the company

The company develops all its products in Bulgaria, but has a network of distributors worldwide, as well as its own offices in the USA, Germany and Brazil. The factors influencing the business are mainly related to the saturation of the market with competitive products or the degree of development of the given market. The main share of sales of software for the packaging industry is still generated in Europe, but the market is expanding in the USA through marketing efforts, new partnerships and better positioning in the industry. There are already partnerships with leading names such as Mimaki, CutWorks, Colex, Kongsberg, Multicam, which is growing the business there, as well as positioning the brand as one of the most professional and preferred by partners and customers.

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

Business development in 2025 and implementation of investment intentions

In 2025, the company continues to develop its products and prepare for more online services and developments. Intensive preparations are underway for several events at which products and partnerships will be presented and consolidated.

The company is gradually increasing its capacity and resources for innovative developments in the two areas in which it operates. An AI assistant is being trained to be part of new versions of the company's software products.

In the USA, the company is very actively working on brand recognition, winning new partnerships and customers, and imposing the subscription model, which will bring stability and sales growth in the coming years.

The German company EngView Systems GmbH is doing well and this year has seen sales growth.

In Brazil, the subscription principle is establishing itself as the main sales model. Sales there have increased compared to last year, and we hope that this trend will continue in the coming periods. A new contract has been signed for the sale of software with machines in Brazil.

Perspectives and forecast for 2026

Revenues are expected to increase in 2026, as well as teams. Integrated work is being done with subsidiaries to

achieve consolidated growth in all markets.

The company has begun the development of a new online product, based on already developed technology and aimed at a completely new market related to the construction of air ducts and their insulation. This is a joint project between EngView Systems and companies from Qatar and England. By mid-2026, the first version will be released and, accordingly, there are expectations of generating revenue from it by the end of the year.

FINANCIAL RESULTS

	31.12.2025	31.12.2024	Change BGN '000	Change %
Revenues	3 755	3 824	(69)	(1,80%)
EBITDA	1 065	1 188	(123)	(10,35%)
Depreciation	(979)	(921)	(58)	(6,30%)
Net Result	73	236	(163)	(69,07%)
EBITDA margin	28,36%	31,07%	(2,70%	(8,71%)
Net Profit margin	1,94%	6,17%	(4,23%	(68,50%)
Sales per share	54,4203	55,4203	(1,00)	(1,80%)
EPS	1,0580	3,4203	(2,36	(69,07%)
ROE	0,0137	0,0449	(0,031)	(69,50%)
Total Assets	6 348	6 082	266	4,37%
Intangibles	4 705	4 535	170	3,75%
Book value	621	717	(96)	(13,39%)
Equity	5 326	5 252	74	1,41%
Total Liabilities	1 022	830	192	23,13%
Interest bearing	317	168	149	88,69%
D/E	0,0595	0,0320	0,028	86,07%
ROA	0,0115	0,0388	(0,027)	(70,36%)

6.3. Sirma Group Inc.

Business development in 2025

Sirma USA continued to develop our business in Healthcare and Automotive retail sales. We have made tremendous progress in applying artificial intelligence and generative large language models technology to practical applications in Medical Information Systems. In an industry first, we developed the ability to describe workflows using plain-spoken language and automatically generate and configure ready-to-execute mini-apps inside Healthcare applications built on top of our BoCore platform. The systems powered by our real-time Analytics engine also continued to gain ground with automotive dealers, and we were highly recognized by leaders in the field.

FINANCIAL RESULTS

	31.12.2025	31.12.2024	Change BGN '000	Change %
Revenues	5 472	3 715	1 757	47,29%
EBITDA	(149)	(638)	489	76,65%
Depreciation	(5)	(7)	2	28,57%
Net Result	(168)	(663)	495	74,66%
EBITDA margin	(2,72%)	(17,17%)	14,45%	84,14%
Net Profit margin	(3,07%)	(17,85%)	14,78%	82,80%
Sales per share	0,2536	0,1722	0,08	47,29%
EPS	(0,0078)	(0,0307)	0,02	74,66%
ROE	(0,0235)	(0,0800)	0,06	70,68%
Total Assets	9 987	11 996	(2 009)	(16,75%)
Intangibles	1 942	2 197	(255)	(11,61%)
Book value	5 221	6 091	(870)	(14,28%)
Equity	7 163	8 288	(1 125)	(13,57%)
Total Liabilities	2 824	3 708	(884)	(23,84%)
Interest bearing	44	29	15	51,72%
D/E	0,0061	0,0035	0,0026	75,55%
ROA	(0,0168)	(0,0553)	0,038	69,56%

6.4. „Sirma ICS“

- <http://sirmaics.com/>
- **Capital:** BGN 300 000. “Sirma Group Holding” AD owns 279 000 number of shares or 93% of the capital.

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

Conditions for Business Development in 2025

The company operates in the Insurance sector with target customers insurance brokers and insurance companies. Both segments recorded minimal revenue growth. The reason for this is economic, respectively, lack of increasing revenues from increased insurance premiums. The company manages to conclude a small number of contracts with insurance brokers and insurance companies for product development and sales.

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

Regarding the main platform for brokers, new clients have been attracted with the potential to continue expanding their network. The business continues to be maintained in terms of portals and applications for insurance companies, and in both cases these are “tailor made” products according to the client’s requirements.

Regarding the online presence of brokers, we offer Sirma Insurance Enterprise Web Calculator. Through this product, end website visitors can calculate their price and place an order.

The company also creates individual solutions and developments on assignment such as websites, web portals for end customers, administrative portals and mobile applications.

Business Development in 2025 and investment plan

In 2025 Sirma ICS continued with the execution of its strategic objectives:

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

Perspectives and forecasts for 2026

We anticipate executing the plan for the year, but retaining customers for Sirma Insurance Enterprise and Web Calculator is becoming increasingly difficult due to higher competition. We will also strive to attract large customers for the broker platform.

FINANCIAL RESULTS

	31.12.2025	31.12.2024	Change BGN '000	Change %
Revenues	1 043	997	46	4,61%
EBITDA	83	124	(41)	(33,06%)
Depreciation	(221)	(82)	(139)	(169,51%)
Net Result	(139)	35	(174)	n/a
EBITDA margin	7,96%	12,44%	(4,48%)	(36,02%)
Net Profit margin	(13,33%)	3,51%	(16,84%)	n/a
Sales per share	3,4767	3,3233	0,15	4,61%
EPS	(0,4633)	0,1167	(0,580)	n/a
ROE	(0,1594)	0,0346	(0,194)	n/a
Total Assets	991	1 185	(194)	(16,37%)
Intangibles	628	817	(189)	(23,13%)
Book value	244	195	49	25,13%
Equity	872	1 012	(140)	(13,83%)
Total Liabilities	119	173	(54)	(31,21%)
Interest bearing	23	53	(30)	(56,60%)
D/E	0,0264	0,0524	(0,026)	(49,64%)
ROA	(0,1403)	0,0295	(0,170)	n/a

6.5. Sirma Tech

Sirma Tech operates in the United Kingdom. The company provides technology services in the areas of software integration, data integration and mobile technologies for the financial service sector.

Sirma Tech has accumulated tremendous expertise on the banking industry and the development of technology solutions for some of the world's largest banks. This enables the company to better understand the challenges faced by customers, identify the areas in which it can provide innovative solutions and integrate seamlessly into its specific solutions within a broader delivery program.

Sirma Tech specializes in providing IT consulting services, software products and services to the software ecosystem of one of the most popular banking systems - the Temenos T24.

FINANCIAL RESULTS

	31.12.2025	31.12.2024	Change BGN '000	Change %
Revenues	3 198	2 415	783	32,42%
EBITDA	137	(110)	247	n/a
Net Result	94	(127)	221	n/a
EBITDA margin	4,28%	(4,55%)	8,84%	n/a
Net Profit margin	2,94%	(5,26%)	8,20%	n/a
ROE	0,2136	(0,3479)	0,562	n/a
Total Assets	1 007	655	352	53,74%
Equity	440	365	75	20,55%
Total Liabilities	567	290	277	95,52%
ROA	0,0933	(0,1939)	0,287	n/a

6.6. „Sirma Medical Systems“

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

Conditions for business development in 2025

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

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

In this dynamic, Sirma Medical Systems strived to strengthen its positions through the Diabetes:M platform, directing its efforts towards corporate clients and brands looking for White Label solutions.

At the same time, for the MPI-2 product (stuttering therapy), the focus was on massive direct promotion to end users. For Medrec:M, there was only supporting marketing, without a large-scale expansion of functionalities or activities.

FINANCIAL RESULTS

	31.12.2025	31.12.2024	Change BGN '000	Change %
Revenues	165	213	(48)	(22,54%)
EBITDA	(142)	(154)	12	7,79%
Depreciation	(42)	(37)	(5)	(13,51%)
Net Result	(185)	(191)	6	3,14%
EBITDA margin	(86,06%)	(72,30%)	(13,76%)	(19,03%)
Net Profit margin	(112,12%)	(89,67%)	(22,45%)	(25,04%)
Sales per share	0,5500	0,7100	(0,16)	(22,54%)
EPS	(0,6167)	(0,6367)	0,02	3,14%
ROE	0,3206	0,4872	(0,17)	(34,20%)
Total Assets	1 657	1 440	217	15,07%
Intangibles	1 581	1 370	211	15,40%
Book value	(2 158)	(1 762)	(396)	(22,47%)
Equity	(577)	(392)	(185)	(47,19%)
Total Liabilities	2 234	1 832	402	21,94%
ROA	(0,1116)	(0,1326)	0,0210	15,83%

6.7. “Saifort”

“Saifort” EAD is a specialized company that is part of Sirma Group Holding AD. Its main goal is to gather the Group's expert potential in the field of artificial intelligence and its practical application in cybersecurity. The company plays a strategic role as an intra-group center for cyber resilience and as an internationally positioned provider of managed cybersecurity services.

In 2025, the main management focus is on the transition from the construction phase to the controlled scaling phase through a sustainable recurring revenue model based on services such as SOC, CISO as a Service and the development of an AI-based security platform.

Business development conditions in 2025

2025 is characterized by intense dynamics in the cybersecurity sector. Regulatory requirements related to the implementation of the NIS 2 directive have significantly increased the responsibility of organizations with regard to cyber risk management. In parallel, the global shortage of qualified specialists has increased interest in outsourcing and managed services. In this context, the company is positioned as an integrated partner, providing technological, process and regulatory solutions in a single framework.

Regional and international factors affecting the company's business

In 2025, the company managed risks related to geopolitical instability, regulatory dynamics and shortage of qualified personnel.

Measures were taken to diversify markets, standardize processes and increase automation through AI tools.

The internal control system operates in accordance with the holding's corporate standards and good audit practices.

Operational activity in 2025

The SOC center continued to provide 24/7 monitoring, incident management and proactive threat detection. Improvements were achieved in process automation, reduction in response time and an increase in the degree of standardization. The “CISO as a Service” model has established itself as a strategic segment, providing structured risk management, board reporting and regulatory policy implementation. International expansion continued through the Israeli company “Saifort”, strengthening its presence in key markets in the EU and the Middle East.

In 2025, the development of the “Sirma Cyber Security Management Platform” was accelerated by implementing AI mechanisms such as behavioral analysis (UEBA), intelligent event correlation and automated incident classification.

The platform moves from a simple monitoring tool to an intelligent security ecosystem that can support strategic decisions and reduce operational dependence on human resources. Investments in AI are strategically aimed at creating long-term competitive advantage through automation, scalability and improved marginality.

Outlook and Forecasts for 2026

2026 is expected to be a year of acceleration and technological consolidation, through the use and implementation of artificial intelligence. The main strategic priority is to transform the “Sirma Cyber Security Management Platform” into an autonomous, intelligent and scalable security ecosystem. It is planned to develop predictive threat intelligence modules, automated response playbooks, proprietary AI models for behavior analysis and generative AI tools for automated management reports. AI will allow for lower operational dependence on human resources, higher efficiency and improved profit, while strengthening the company's international competitiveness.

Conclusion

2025 was a year of strategic upgrading, structural strengthening and technological transformation. The built AI-based platform and the expanded portfolio of managed services provide a solid foundation for accelerated growth in 2026, while maintaining financial discipline and management transparency. We are convinced that the company is in a position to move into a phase of optimization, improved profitability and sustainable international growth.

FINANCIAL RESULTS

	31.12.2025	31.12.2024	Change BGN '000	Change %
Revenues	764	94	670	712,77%
EBITDA	109	(116)	225	n/a
Depreciation	(20)	(22)	2	(9,09%)
Net Result	95	(114)	209	n/a
ROE	0,0129	(0,0157)	0,029	n/a
Total Assets	7 435	7 303	132	1,81%
Intangibles	1 046	949	97	10,22%
Book value	6 312	6 315	(3)	(0,05%)
Equity	7 358	7 264	94	1,29%
Total Liabilities	77	39	38	97,44%
ROA	0,0128	(0,0156)	0,028	n/a

6.8. Roweb Development

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

Focusing on strategically important industries and combining technological expertise with a business-oriented approach, Roweb Development continues to expand its international presence and create sustainable partnerships.

Our dedicated teams of experienced software professionals have delivered projects for clients in over 30 countries.

Business development conditions in 2025

In 2025, the global IT services market continued to expand, supported by the accelerated digital transformation in

the private and public sectors. The growing adoption of AI-based solutions, business process automation and migration to cloud infrastructures remained leading factors in the demand for external software services.

At the same time, the market remained highly competitive, with a focus on cost optimization, delivery efficiency and measurable business value. Customers continued to look for flexible engagement models – dedicated teams and project-based services – as well as partners with proven expertise in integrating AI technologies into existing systems.

Roweb Development is strategically positioned to respond to these market trends through:

- proven experience in managing complex international projects;
- flexible and scalable teams;
- solid technical expertise in web and e-Commerce solutions;
- ability to integrate AI and automation into existing business processes.

Thanks to its affiliation with Sirma Group, the company continues to benefit from group-level synergies, shared expertise and expanded access to international markets.

The company operates in the following industries:

- E-commerce: In 2025, the e-commerce sector maintained an upward trend with an emphasis on personalization, mobile experience and AI-based recommender systems. Magento e-Commerce remains a key platform for large and medium-sized merchants. Roweb continued to deliver adaptive solutions and migrations to Magento 2.

- Information Technology: The IT sector emphasizes cloud architectures, low-code/no-code solutions, AI integrations and cybersecurity. Customers demand personalized, reliable and scalable software solutions - a strong area for Roweb.

- Telecommunications: Telecommunications companies are looking for tools for infrastructure management and real-time analysis. Roweb offers scalable, high-performance monitoring solutions, OSS/BSS integrations and customer portals.

- Financial Services: The financial sector segment is developing at a rapid pace, and for security and data protection, the demand for RegTech, payment solutions and secure portals dictates. Roweb focuses its work on solutions that meet these requirements.

- Healthcare: Digitalization in healthcare continued — telemedicine, electronic health records, and service planning systems. Roweb is involved in projects for secure, patient-centric platforms.

- Education: Education technologies have evolved with more hybrid and adaptive solutions. There is increased interest in integrations with LMS and interactive learning environments — a field in which Roweb provides personalized portals.

Important events

- Completed technological renewal of the company website – The modernization of the corporate website has been implemented with implemented functionalities for automated lead collection and qualification, as well as integration with a CRM system. Improvement in conversions and more efficient management of the sales process is expected.

- Implementation of an internal AI system – An internal AI-based system for analyzing customer inquiries and automated generation of sales proposals has been successfully implemented. The solution aims to reduce response time, increase accuracy in bidding, and improve overall sales efficiency.

- Expanded cooperation with Sirma Group – The strategic partnership within the group has been deepened by launching joint initiatives in the field of cloud solutions and business process automation. Additional synergies and expansion of the overall market presence are expected.

- Launch of Generative AI training program – An internal training program for developers has been initiated, focused on practical applications of Generative AI technologies in client projects. The goal is to increase the company's expertise and competitiveness in the rapidly developing AI segment.

Outlook and forecasts for 2026

Roweb Development expects to continue the positive dynamics from the beginning of the year and to realize revenue growth due to the launch of new projects and strong commercial activity. The share of revenue from the Romanian market is expected to increase, and in addition, the company will focus on expanding project activity in Western

Europe and North America, with a priority on sectors such as financial services, healthcare, AI solutions, cloud services and e-commerce.

FINANCIAL RESULTS

	01.01.2025 – 31.12.2025
Revenues	14 191
EBITDA	2 493
Depreciation	(89)
Net Result	2 201
EBITDA margin	17,57%
Net Profit margin	15,51%
Sales per share	47,3033
EPS	7,3367
ROE	1,6328
Total Assets	6 201
Book value*	2
Equity	1 346
Total Liabilities	1 348
Interest bearing	4 853
ROA	0,3549

6.9. “Sirma Group Holding” – separate financial results

	31.12.2025	31.12.2024	Change BGN '000	Change %
Revenues*	103 755	33 010	70 745	214,31%
EBITDA	8 586	4 755	3 831	80,57%
Depreciation	(2 836)	(1 130)	(1 706)	(150,97%)
Net Result	4 663	3 257	1 406	43,17%
EBITDA margin	8,28%	14,40%	(6,13%)	(42,55%)
Net Profit margin	4,49%	9,87%	(5,37%)	(54,45%)
Sales per share	1,7479	0,5561	1,192	214,31%
EPS	0,0786	0,0549	0,02	43,17%
ROE	0,0587	0,0432	0,02	35,97%
Total Assets	113 665	108 150	5 515	5,10%
Intangibles	11 408	10 710	698	6,52%
Book value	67 970	64 675	3 295	5,09%
Equity	79 378	75 385	3 993	5,30%
Total Liabilities	34 287	32 765	1 522	4,65%
Interest bearing	10 126	7 085	3 041	42,92%
D/E	0,1276	0,0940	0,034	35,73%
ROA	0,0410	0,0301	0,011	36,22%

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

7/ Results by segments

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

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

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

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

	System Integration	Hospitality	Financial Industry	IT Services	Manufac- turing	Strategic development	Total
31.12.2025	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Segment revenues	54 554	10 597	17 245	28 679	4 518	15 193	130 786
Cost of materials and cost of goods sold	(42 317)	(6)	(221)	(120)	(48)	(535)	(43 247)
Hired services expenses	(3 978)	(2 153)	(3 877)	(7 473)	(689)	(1 918)	(20 088)
Employee benefits expense	(2 693)	(7 462)	(11 113)	(16 890)	(2 159)	(12 747)	(53 064)
Depreciation and amortization of non- financial assets	(662)	(539)	(684)	(684)	(1 027)	(1 129)	(4 725)
Other expenses	(38)	(35)	(272)	(652)	(129)	(1 935)	(3 061)
Segment operating profit/(loss)	4 866	402	1 078	2 860	466	(3 071)	6 601

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 54 million. The segment remains the leading one for Sirma with almost 42% of the revenues for 2025 on consolidated basis. The profit achieved by the segment for the year was BGN 4,87 million with a margin of 8,925%.

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:

	System Integration	
	31.12.2025	31.12.2024
	BGN'000	BGN'000
Segment revenues	54 554	41 197
Cost of materials and cost of goods sold	(42 317)	(33 650)
Hired services expenses	(3 978)	(2 588)
Employee benefits expense	(2 693)	(2 994)
Depreciation and amortisation of non-financial assets	(662)	(883)
Other expenses	(38)	(27)
Segment operating profit	4 866	1 055

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	
	31.12.2025	31.12.2024
	BGN'000	BGN'000
Segment revenues	10 597	13 423
Cost of materials	(6)	(59)
Hired services expenses	(2 153)	(1 638)
Employee benefits expense	(7 462)	(8 752)
Depreciation and amortisation of non-financial assets	(539)	(269)
Other expenses	(35)	(208)
Segment operating profit	402	2 497

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 2025 (12%) against the euro and the relatively high sales levels of the segment in the US (18% during the year).

The segment’s revenue in 2025 reached BGN 28,7 million. The segment is with 22% of the Holding’s revenue on consolidated basis for the year. The growth in revenue in the IT Services segment is accompanied by an increase in their profit margin to almost 10%. The segment contributed by almost BGN 3 million to the Holding's profit on consolidated basis for 2025.

In 2025 contracts were signed with new clients and re-signed with old clients, and work on their projects continues accordingly. In the beginning 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.

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 in the segment, that 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	
	31.12.2025	31.12.2024
	BGN'000	BGN'000
Segment revenues	28 679	10 149
Cost of materials	(120)	(122)
Hired services expenses	(7 473)	(1 816)
Employee benefits expense	(16 890)	(6 910)
Depreciation and amortisation of non-financial assets	(684)	(300)
Other expenses	(652)	(494)
Segment operating profit	2 860	507

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.

	Financial Industry	
	31.12.2025	31.12.2024
	BGN'000	BGN'000
Segment revenues	17 245	15 987
Cost of materials	(221)	(38)
Hired services expenses	(3 877)	(3 544)
Employee benefits expense	(11 113)	(9 724)
Depreciation and amortisation of non-financial assets	(684)	(1 216)
Other expenses	(272)	(200)
Segment operating profit	1 078	1 265

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

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

Geographically, sales in 2025 were directed to Europe and the USA.

An increase in customers in the segment is expected in 2026, which will also increase the volume of sales.

Segment financial results:

	Manufacturing	
	31.12.2025	31.12.2024
	BGN'000	BGN'000
Segment revenues	4 518	4 419
Cost of materials	(48)	(194)
Hired services expenses	(689)	(576)
Employee benefits expense	(2 159)	(2 273)
Depreciation, amortisation of non-financial assets	(1 027)	(968)
Other expenses	(129)	(134)
Segment operating profit	466	274

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 11,62% of total revenues at consolidated level for the Group, and realized BGN 3 million 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” (44% 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	
	31.12.2025	31.12.2024
	BGN'000	BGN'000
Segment revenues	15 193	14 835
Cost of materials	(535)	(80)
Hired services expenses	(1 918)	(4 005)
Employee benefits expense	(12 747)	(13 375)
Depreciation and amortisation of non-financial assets	(1 129)	(569)
Other expenses	(1 935)	(907)
Segment operating profit	(3 071)	(4 101)

8/ Main markets

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

Revenue by regions and countries:

Region	31.12.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	BGN '000	%
Europe	105 231	71 531	33 700	47,11%
North America	12 638	15 408	(2 770)	(17,98%)
United Kingdom	10 292	10 359	(67)	(0,65%)
Asia	1 587	2 053	(466)	(22,70%)
South America	814	469	345	73,56%
Australia	211	157	54	34,39%
Africa	13	33	(20)	(60,61%)
Total	130 786	100 010	30 776	30,77%

"Sirma Group Holding" AD and the companies of the Group realize their production and services without geographical restrictions. However, the Group traditionally generates the highest sales in Europe and North America. Together with the revenue from United Kingdom, they traditionally account for 97,99% of the total amount of consolidated revenues. Nevertheless, due to the extreme diversification of its products and services, which are applied in many completely different sectors and customers, there can be no question of any dependence of the Group on individual customers or on certain services.

In 2025, the Group made sales in 70 countries. In the consolidated revenues, the largest share is the revenues from Bulgaria in the amount of BGN 75 982 thousand or 58,21% of total consolidated revenues, followed by the USA with BGN 11 207 thousand or 8,55760% and from United Kingdom with BGN 10 292 thousand or 7,87%.

9/ Consolidated financial results

9.1. Consolidated revenues

	31.12.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	(BGN '000)	(%)
Revenue from contracts with customers	129 975	98 925	31 050	31,39%
Gain on sale of non-current assets	22	3	19	633,33%
Other revenues	789	1 082	(293)	(27,08%)
Total	130 786	100 010	30 776	30,77%

During the year consolidated revenues increased by 30,77% or BGN 30 786 thousand compared to 2024.

Revenues by product line includes:

	31.12.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	(BGN '000)	(%)
Software services	63 685	46 746	16 939	36,24%
Sale of IT equipment	47 592	36 782	10 810	29,39%
Subscriptions	8 898	5 720	3 178	55,56%
Licenses	3 698	2 907	791	27,21%
Cloud services	1 949	1 847	102	5,52%
Support	1 605	2 870	(1 265)	(44,08%)
System integration	870	370	500	135,14%
Others	1 678	1 683	(5)	(0,30%)
Total	129 975	98 925	31 050	31,39%

9.1.1. Recurring consolidated revenue

Recurring revenues are stable, predictable and constant over time. For 2025, the Company reports recurring revenues as follows:

	Amount	Percentage of
	(BGN '000)	revenue
Support and Service	7 048	5%
IT Systems Development and Management	31 259	24%
Subscriptions and Licenses	3 313	3%
Long-Term Contract Services	7 795	6%
Total Recurring Revenue	49 415	38%
Other Revenue	81 371	62%
Total Revenue	130 786	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.

9.2. Consolidated expenses

	31.12.2025	31.12.2024	Change
	BGN '000	BGN '000	(BGN '000,%)
Cost of materials	(950)	(970)	(20)
<i>Change in %</i>			(2,06%)
Hired services expenses	(20 088)	(14 167)	(5 921)
<i>Change in %</i>			41,79%
Employee benefits expense	(53 064)	(44 028)	(9 036)
<i>Change in %</i>			20,52%
Depreciation and amortisation of non-financial assets	(4 725)	(4 205)	(520)
<i>Change in %</i>			12,37%
Cost of goods sold and other current assets	(42 297)	(33 173)	(9 124)
<i>Change in %</i>			27,50%
Other expenses	(3 061)	(1 970)	(1 091)
<i>Change in %</i>			55,38%
Total expenses	(124 185)	(98 513)	(25 672)
<i>Change in %</i>			26,06%

During the year consolidated expenses of the Group increased by BGN 25 672 thousand or by 26,06% compared to 2024. The highest share in the consolidated expenses had the consolidated employee benefits expense (42,73%), followed by the expenses for hired services expenses (16,18%).

9.3. Consolidated financial income/costs

	31.12.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	(BGN '000)	(%)
Finance costs	(1 901)	(302)	(1 599)	529,47%
Finance income	24	286	(262)	(91,61%)
Finance income / costs (net)	(1 877)	(16)	(1 861)	11 631,25%

Consolidated financial income decreased by BGN 262 thousand or by 91,61% during the period, mainly due to the decrease in income from operations with financial assets. Consolidated financial costs increased by BGN 1 599 thousand or by 529,47%, mainly due to the increase of expenses on foreign exchange operations.

9.4. Consolidated assets

Consolidated assets posted an decrease of BGN 2 688 thousand or 2,27% during the period.

Non-current assets	31.12.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	(BGN '000)	(%)
Goodwill	39 779	39 478	301	0,76%
Property, plant and equipment	15 370	14 456	914	6,32%
Intangible assets	22 211	21 810	401	1,84%
Deferred tax assets	673	820	(147)	(17,93%)
Total	78 033	76 564	1 469	1,92%
Current assets	31.12.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	(BGN '000)	(%)
Inventory	3 506	1 667	1 839	110,32%
Trade and other financial receivables	22 409	23 021	(612)	(2,66%)
Prepayments and other assets	3 598	1 269	2 325	183,53%
Short-term related party receivables	326	473	(147)	(31,08%)
Income tax receivables	21	18	3	16,67%
Financial assets at fair value through profit or loss	-	313	(313)	(100%)
Cash	13 318	15 198	(1 880)	(12,37%)
Total	43 178	41 959	1 219	2,91%

9.5. Consolidated equity

	31.12.2025	31.12.2024	Change
	BGN '000	BGN '000	(BGN '000,%)
Share Capital	59 361	59 361	-
<i>Change</i>			-
Purchased own shares	(1 569)	(1 689)	120
<i>Change</i>			(7,10%)
Reserves	9 501	9 595	(94)
<i>Change</i>			(0,98%)
Retained earnings	14 893	13 487	1 406
<i>Change</i>			10,42%
Equity attributable to the owners of the parent	82 186	80 754	1 432
<i>Change</i>			1,77%
Non-controlling interest	2 924	3 833	(909)
<i>Change</i>			(23,72%)
Total	85 110	84 587	523
<i>Change</i>			0,62%

In 2025 consolidated equity increased by BGN 523 thousand compared to the end of 2024.

9.6. Consolidated liabilities

Consolidated liabilities increased by 2 165 BGN thousand or 6,38% during the period.

Non-current liabilities

	31.12.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	(BGN '000)	(%)
Pension obligations to personnel	855	741	114	15,38%
Long-term borrowings	7 339	6 009	1 330	22,13%
Long-term lease liabilities	809	691	118	17,08%
Long-term related party payables	164	245	(81)	(33,06%)
Deferred tax liabilities	355	326	29	8,90%
Financing	481	518	(37)	(7,14%)
Total	10 003	8 530	1 473	17,27%

Non-current liabilities increased by BGN 1 473 thousand or 17,27% during the period.

Current liabilities

	31.12.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	(BGN '000)	(%)
Provisions	-	77	(77)	(100%)
Employee obligations	5 227	5 498	(271)	(4,93%)
Short-term borrowings	1 404	268	1 136	423,88%
Short-term lease liabilities	794	379	415	109,50%
Trade and other payables	11 956	15 296	(3 340)	(21,84%)
Contract liabilities	4 572	2 359	2 213	93,81%
Short-term related party payables	2 012	1 473	539	36,59%
Income tax liabilities	103	26	77	296,15%
Financing	30	30	-	-
Total	26 098	25 406	692	2,72%

Current liabilities increased by BGN 692 thousand or 2,72% during the period.

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	8 682 248	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	31.12.2028	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	31.12.2028	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).

9.7. Cash flow

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

	31.12.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	(BGN '000)	%
Net cash flow from operating activities	8 223	6 533	1 690	25,87%
Net cash flow from investing activities	(8 463)	(9 705)	1 242	12,80%
Net cash flow from financing activities	(1 237)	3 672	(4 909)	n/a
Net change in cash	(1 477)	500	(1 977)	n/a
Cash at the beginning of the year	15 198	14 694	504	3,43%
Exchange (losses)/gains on cash	(403)	4	(407)	n/a
Cash at the end of the year	13 318	15 198	(1 880)	(12,37%)

9.8. 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	130 786	100 010	30 776	30,77%
Total operating costs	(124 185)	(98 513)	(25 672)	26,06%
Operating profit	6 601	1 497	5 104	340,95%
Financial income	24	286	(262)	(91,61%)
Financial costs	(1 901)	(302)	(1 599)	529,47%
Profit before tax expense	4 724	1 481	3 243	218,97%
Income tax expenses	(606)	(367)	(239)	65,12%
Net profit	4 118	1 114	3 004	269,66%
Dividend	1 160	1 154	6	0,52%
Cash	13 318	15 198	(1 880)	(12,37%)
Inventories	3 506	1 667	1 839	110,32%
Short-term assets	43 178	41 959	1 219	2,91%
Total amount of assets	121 211	118 523	2 688	2,27%
Average arithmetic total asset value for 5 quarters	116 715	97 543	19 171	19,65%
Current liabilities	26 098	25 406	692	2,72%
Debt	10 346	7 347	2 999	40,82%
Total amount of liabilities	36 101	33 936	2 165	6,38%
Equity	85 110	84 587	523	0,62%
Equity averaged for 5 quarters	84 362	78 207	6 155	7,87%
Turnover capital	17 080	16 553	527	3,18%
Number of shares at the end of the period (in thousands)	59 361	59 361	-	-
Profit / loss minority interest	1 445	603	842	139,64%
Financial expense from revaluation of a derivative	(752)	-	-	n/a
Interest expenses	(257)	(102)	(155)	151,96%
Weighted average share price of last trading session	1,880	0,953	0,9271	97,33%
Last share price of last trading session	1,889	0,945	0,9443	99,93%

Indicators	31.12.2025	31.12.2024	Change	
			(Abs.)	(%)
EBITDA	10 458	5 788	4 670	80,68%
DEPRECIATION	(4 725)	(4 205)	(520)	12,37%
EBIT	5 733	1 583	4 150	262,16%
FIN/INVEST NET	(1 877)	(16)	(1 861)	11 631,25%
EBT	4 724	1 481	3 243	218,97%
ROA	0,0221	0,0043	0,0177	411,49%
Debt/EBITDA Ratio	0,9893	1,2694	(0,2801)	(22,06%)
Quick Ratio	1,5201	1,5859	(0,0658)	(4,15%)
ROE	0,0488	0,0142	0,0346	242,69%
Debt/Equity Ratio	0,4242	0,4012	0,0230	5,73%
Profitability ratios				
Operating profit margin	0,0505	0,0150	0,0355	237,19%
Net profit margin	0,0315	0,0111	0,0203	182,67%
Return on Assets	0,0353	0,0114	0,0239	208,94%
Return on Equity	0,0488	0,0142	0,0346	242,69%
Coefficients for assets and liquidity				
Assets turnover ratio	1,1206	1,0253	0,0953	9,29%
Operating cycle	7,6573	6,0418	1,6155	26,74%
Current ratio	1,6545	1,6515	0,0029	0,18%
Quick ratio	1,5201	1,5859	(0,0658)	(4,15%)
Cash ratio	0,5103	0,5982	(0,0879)	(14,69%)
Odds per share				
P/S ratio	0,8531	0,5654	0,2877	50,89%
P/E ratio	27,0938	50,7553	(23,6615)	(46,62%)
Revenue per share	2,2032	1,6848	0,5185	30,77%
Earnings per share	0,0694	0,0188	0,0506	269,66%
Book value of equity per share	1,4212	1,3175	0,1037	7,87%
Dividend Ratios				
Dividend Payout Ratio	0,2817	1,0359	(0,7542)	(72,81%)
Retention Ratio	0,7183	(0,0359)	0,7542	n/a
Dividend Per Share	0,0195	0,0194	0,0001	0,52%
Development Ratios				
Revenue growth	0,3077	0,2299	0,0778	33,85%
Assets growth	0,0227	0,2408	(0,21821)	(90,58%)
Leverage Ratios				
Debt/total assets	0,0886	0,0753	0,0133	17,69%
Debt/capital	0,1092	0,0859	0,0234	27,21%
Debt/equity	0,1226	0,0939	0,0287	30,54%
Total assets/equity	1,3835	1,2472	0,1362	10,92%
Market value of the company	112 153	56 096	56 056	99,93%

9.9 Related party transactions

	2025	2024
Sales of services		
- Administrative accounting services	-	4
- Rentals	-	8
- Software services	97	91
Purchase of goods	544	264

10/ Ecology and personnel

10.1 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.

10.2 Personnel

The Group 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 Group apply certain selection criteria and consider that they have an ambitious team of professionals capable of pursuing the strategic and operational objectives.

The Group invests in various training programs for its employees and provides its employees with opportunities for professional development.

Count of employees in the Group:

31.12.2025

Company	Labour contract	Management and control contract	Total
Sirma Group Holding	439	9	448
Roweb, Romania	142	4	146
Engview Systems	29	4	33
Sciant Shpk., Albania	29	1	30
Sirma Sha, Albania	17	3	20
Daticum	8	1	9
Sirma ICS	5	1	6
Sirma Medical Systems	3	2	5
Saifort	3	3	6
Sirma Group Inc., USA	2	1	3
Sirma FZE, UAE	1	1	2
Engview Systems Germany	1	1	2
Sirma Tech, UK	-	1	1
Total	679	32	711

31.12.2024

Company	Labour contract	Management and control contract	Total
Sirma Group Holding	432	9	441
Roweb, Romania	99	4	103
Engview Systems	32	4	36
Sciant Shpk., Albania	27	1	28
Sirma Sha, Albania	16	3	19
Sirma Tech, UK	11	1	12
Sirma ICS	8	1	9
Daticum	8	2	10
Sirma Medical Systems	4	3	7
Sirma AB, Sweden	2	-	2
Sirma Group Inc., USA	2	1	3
Saifort	2	3	5
Engview Systems Germany	1	1	2
Total	644	33	677

11/ Risk factors

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarized in note 35. The main types of risks are market risk, credit risk and liquidity risk.

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

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

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

11.1 Market risk analysis

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

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

11.1.1 Foreign currency risk

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

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

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into Bulgarian leva at the closing rate:

	Short-term exposure	
	USD BGN'000	GBP BGN'000
31 December 2025		
Financial assets	9 192	1 002
Financial liabilities	(128)	(236)
Total exposure	9 064	767
31 December 2024		
Financial assets	1 306	106
Financial liabilities	(242)	-
Total exposure	1 064	106

The following tables illustrate the sensitivity of post-tax financial result for the year and equity in regards to exchange rate differences between the Bulgarian Lev (BGN) and the following currencies 'all other things being equal:

- US Dollars (USD) +/- 7.7% (2024 : +/- 2.6 %)
- Pound Sterling (GBP) +/- 4.2% (2024 : +/- 2.7 %)

All other parameters are assumed to be constant.

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into.

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 (USD) (+/- 7.7 %)	(626)	(626)	626	626
Pound Sterling (GBP) (+/- 4.2 %)	(29)	(29)	29	29
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 (USD) (+/- 2.6 %)	(25)	(25)	25	25
Pound Sterling (GBP) (+/- 2.7 %)	(6)	(6)	6	6

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

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

11.1.2 Interest rate risk

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

At 31 December 2025, the Group is not exposed to a significant risk of changes in market interest rates under the investment loan agreement as the interest rate did not change during the year. All other financial assets and liabilities of the Group have fixed interest rates.

The tables 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

11.2 Credit risk

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

Financial assets	31	31
	December 2025	December 2024
	BGN'000	BGN'000
Financial assets at fair value through profit or loss:		
Trade and other receivables	21 647	23 021
Related party receivables	326	473
Cash	13 318	15 198
Current financial assets	-	313
	35 291	39 005

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

The Group's management has performed an analysis of the settlements with its counterparties, as well as the potential effect on their credit quality, incl. in terms of forming a reasonable amount of expected credit losses, according to the adopted model for determining them in accordance with IFRS 9. Based on the analysis, and taking into account the collection of receivables in the period after the pandemic, until the date of preparation

of the pandemic In this consolidated financial statement, the Management Board considers that in the short term there are no indications of deterioration in the credit quality of counterparties, and that there are currently no grounds to change the model for calculating expected credit losses, including due to lack of credit losses. sufficiently reliable data. The long-term perspectives and potential effects on the collection and credit quality of the estimates are subject to constant monitoring and updating by the Management. None of the Group's financial assets are secured by collateral or other credit enhancements in regard to transactions.

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

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

11.3 Liquidity risk

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

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As at 31 December 2025, the Group'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
Borrowings	702	702	7 339
Finance lease obligations	408	408	831
Trade and other payables	10 879	-	-
Related party payables	2 012	-	164
Total	14 001	1 110	8 334

This compares to the maturity of the Group'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	Over 5 years
	BGN'000	BGN'000	BGN'000	BGN'000
Borrowings	-	268	5 616	393
Finance lease obligations	197	197	707	-
Trade and other payables	14 140	-	-	-
Related party payables	1 473	-	245	-
Total	15 810	465	6 568	393

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

Financial assets used for managing liquidity risk

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

12/ Other information as per Appendix 10 of Ordinance 2 of the FSC

12.1 Information about events and indicators with increased nature of the Group, 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 Group that have a significant impact on its operations and its realized revenues and expenses.

12.2 Information about out of the balance sheet transactions - type and business purpose, financial impact of the transaction on activity if the risks and benefits of these transactions are essential for the company and the disclosure of this information is essential for assessing the financial position of the group.

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

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

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

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

No forecasts for financial results have been published.

12.5 Analysis and financial evaluation of the financial resources management policy with the position of opportunities for the service of the obligations, the eventual threats and measures which the group was prevented or provided to take for the purpose of removing them.

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

The entity's ability to service obligations is expressed in terms of liquidity ratios in the description of the liquidity risk in this report. As evidenced by the values of the liquidity indicators, Sirma Group Holding 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.

12.6 Assessment of the possibilities for the implementation of investment intentions with the significance of the amount of expenditure and the effectiveness of the possible changes in the structure of financing that activity.

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.

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

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

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

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

- adherence to a particular management and accounting policy disclosed in the financial statements;
- carrying out all operations in compliance with the laws and regulations; coverage of all events and operations in a timely manner, with the exact amount of the amounts in the appropriate accounting articles.
- accounts and the relevant reporting period so as to allow the financial statements to be prepared in accordance with the specific accounting framework;
- observance of the precautionary principle in the valuation of assets, liabilities, income and expenses;
- detection and termination of frauds and errors;
- completeness and regularity of accounting information;
- preparation of reliable financial information;
- adherence to international financial reporting standards and adherence to the going concern principle.

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

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

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

There were no changes during the current period.

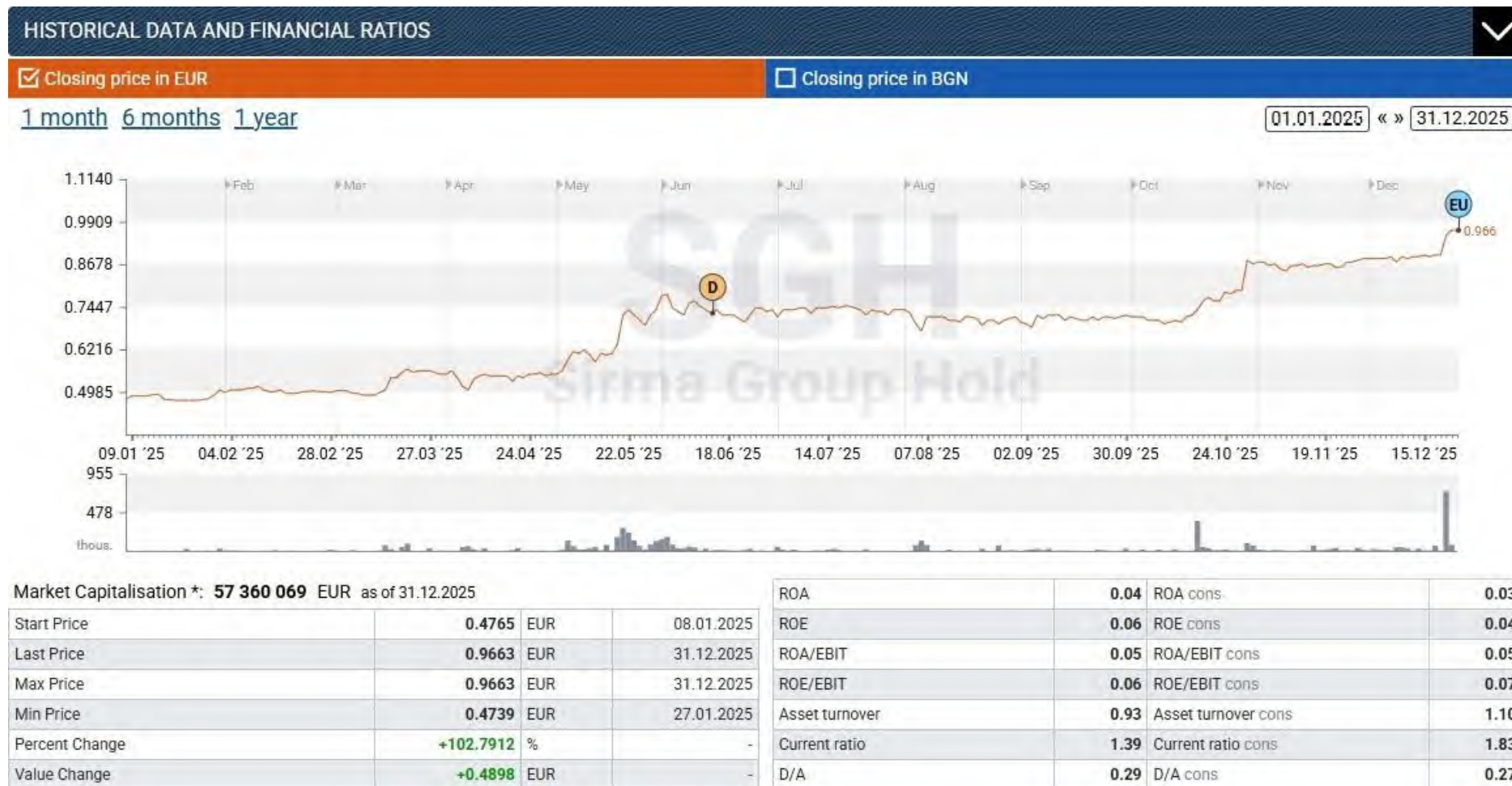
12.10 Information about the known to the Group agreements (including also after the closing of the period) as a result of which changes may occur at a future time in the owned percent of shares or bonds by current shareholders or bondholders.

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

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

Stanislav Tanushev
Bul. 135 Tsarigradsko shose, fl. 3
Sofia 1784
ir@sirma.com
Contact phone: +359 2 976 8310

13/ Changes in the price of the shares of the company



14/ Post balance sheet events

Buyback of shares by the parent 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.

On 30.03.2026 "Sirma Group Holding" AD bought back 50 430 of its shares at an average price of EUR 0,9811 per share for a total value of EUR 49 478,90. The shares represent 0,085% 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 Djonev - 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.

Purchase of shares of Sirma Group Holding AD by a member of the Board of Directors

On 30.03.2026, the registry of Sirma Group Holding AD received a letter-notification from Atanas Kiryakov - member of the Board of Directors of Sirma Group Holding AD for the purchase of 10 969 shares of the capital of Sirma Group Holding AD through transactions carried out on the Bulgarian Stock Exchange - Sofia on 30 March 2026 at an average price per share of EUR 0.9082.

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

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

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

Introduction of the euro in the Republic of Bulgaria

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

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.

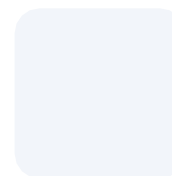
No adjusting or other significant non-adjusting events have occurred between the reporting date and the date of authorization

Sofia
29.04.2026

Digitally signed
by Tsvetan
Borisov Alexiev
Date:
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CEO:
Tsvetan
Borisov
Alexiev

Tsvetan Alexiev



SIRMA GROUP

**CONSOLIDATED DECLARATION OF SIRMA GROUP
FOR CORPORATE GOVERNANCE IN 2025
AS PER ART.100m, PAR. 8 IN RELATION TO PAR. 7, PT. 1 FROM
POSA**

SIRMA GROUP

„Sirma Group” (the Group) includes „Sirma Group Holding“ AD (parent company) and its subsidiaries and associates.

The Group considers that the effective application of the principles of internationally recognized standards for good corporate governance is highly important for the future development of the Company. The Board of directors of the parent company believes that it is imperative to strive to establish and validate a modern management style that will contribute to the better performance of the company, respectively to provide favorable conditions for achieving sustainable growth and achievement of the long-term objectives, as well as establishing a transparent and fair relationship with all stakeholders.

The Group considers good corporate governance as a set of relationships between company’s management body, its shareholders and all stakeholders - employees, trading partners, corporate creditors, potential future investors and society as a whole.

I. Information as per art. 100m, par. 8, item 1 from the Public Offering of Securities Act

The Group adheres to the National Corporate Governance Code, adopted by the National Corporate Governance Commission and approved as a Corporate Governance Code under Art. 100m, par. 7, item 1 in relation to par. 8, item 1 of the Public Offering of Securities Act (POSA) by Resolution No. 461-CCC dd.: 30.06.2016 of the Deputy Chair of the Financial Supervision Commission in charge of the Investment Activity Supervision Division and all subsequent revisions thereof.

II. Information under Art. 100m, par. 8 of POSA. Applying the principles of transparency, independence and accountability of the Company's Management Board (Board of Directors) in accordance with established vision, objectives, strategies of the company and interests of the shareholders.

1. The Board of Directors of the parent company consists of 9 (nine) members who are elected by the General Meeting of Shareholders for a given term of office.
2. The Board of Directors of the parent company shall carry out its activities in accordance with the parent company's Articles of Association and the Rules for Operation of the Board of Directors.
3. The Board of Directors of the parent company shall decide on:
 - o Closure or transfer of businesses or significant parts thereof;
 - o A significant change of the Group's activity by unanimity of the Board of Directors;
 - o Essential organizational changes;
 - o Long-term cooperation essential for the company or the termination of such cooperation;
 - o Establishment and closure of branches, representations and offices;
 - o Adoption of the annual business program of the company;And all other decisions that are not within the express competence of the General Meeting of Shareholders of the parent company.
4. The members of the Board of Directors of the parent company shall be guided in their activities by the generally accepted principles of integrity and managerial and professional competence.

5. The members of the Board of Directors of the parent company shall apply in their activity the principle of avoidance and prevention of real or potential conflict of interests. The members of the Board of Directors of the parent company shall inform the General Meeting of Shareholders of the parent company whether directly or on behalf of third parties they have a substantial interest in transactions or issues that have a direct impact on the Company. In 2025, no ethical issues arose between the members of the management, including the need to comply with certain written procedures.
6. Main criteria and principles of the diversity policy for selection and evaluation of the Group's management members and management bodies (information under Art. 100m, para 8, item 6 of POSA):
 - The members of the Board of Directors may be only legally capable physical or corporate persons, without any imposed restrictions on age, gender, nationality, education;
 - Good reputation, professional experience and managerial skills;
7. Corporate governance follows rules for the organization and conduct of each general meeting, which are agreed in the form of an organization scenario. The GMS Invitation shall be drafted with maximum detail and in accordance with the regulatory requirements, indicating all of the proposed decisions, in order for each shareholder to have the opportunity to acquaint himself with them in advance, from the moment of its publication. Written procedures for the conduct of the GMS have not been drafted, because the legal framework has explicitly regulated the basic principles and all other specific points are stipulated in the Invitation.
8. Any significant periodic and incidental information shall be disclosed immediately. The group has compiled its activity with the current local legal framework as well as with the European regulations, having direct application in the local legislation. Notwithstanding the above, the corporate management will develop rules as part of the Quality Management and Information Security Policy to assess the materiality of any information or the need for its disclosure.
9. The annual and interim reports are prepared with the involvement and under the strict control of the corporate management, without official formalization in the form of internal rules. However, such rules will be developed and implemented as part of the Quality Management and Information Security Policy.

III. System for internal control and risk management (information as per art. 100m, par. 8, item 3 from POSA)

In the Group an internal control system is in place, to ensure the effective functioning of the reporting and disclosure systems. The internal control system is also being developed and functioning in order to identify the risks associated with the Company's activity and to support their effective management. The parent company also has elected an Audit Committee, in accordance with the requirements of the Public Offering of Securities Act.

The Group has adopted and applies rules and procedures, regulating the effective functioning of the reporting and disclosure systems of the companies. The rules describe in detail the different types of information created and disclosed by the company, the internal flow of documents, the different levels of access to different information types, for the persons responsible and the terms for handling and managing the information flows. The established risk management system ensures the effective implementation of internal control in the creation and management of all corporate documents, including financial statements and other regulated information, which the Group is required to disclose in accordance with legal regulations.

1. Control environment.

The Control environment in the group is formed on the basis of:

1.1. Communicating and enforcing integrity and ethical values.

The group has approved a Code of Ethics, which sets a framework for personal integrity and professional ethics in the Group. The Code of Ethics is communicated with all employees who agree to abide by the established ethical norms and professional ethics. It is implemented in the job descriptions of all employees, including the Financial and Accounting Department and is a model for their behavior.

1.2. Commitment and competence

The Group has developed a Procedure for selection and appointment of employees under labor contracts. There are requirements for the education, work experience and professional experience of employees at all levels.

1.3. Participation of persons in charge of general management

The Executive Director of the parent company has introduced adequate procedures and rules for the implementation of internal control. He is responsible for the implementation of financial management and control in the Group managed by him, in compliance with the principles of legal compliance, sound financial management and transparency. The Executive Director delegates his powers to other officials of the Group, defining their specific rights and obligations and requires periodic reporting on the implementation of delegated powers.

Management bodies that have certain responsibilities and powers regarding the financial reporting process and respectively other related processes are: the Board of Directors, the Audit Committee, the Chief Financial Officer, the Financial Controller, the Chief Accountant.

The Board of Directors accepts and confirms: the Accounting policy and the changes in it for each reporting period, the developed accounting estimates as of the date of each reporting period, incl. the applied methodology; financial statements, and other public documents containing financial information.

The Audit Committee independently monitors the implementation of the financial reporting processes, the applied accounting policies and the efficiency of the internal control system of the company, incl. risk management, as well as the implementation and results of the external audit.

The CFO is responsible for the overall organization, operation and ongoing control of accounting and financial reporting. He directly manages the whole process, makes all key decisions related to financial statements and other public documents with financial information.

The CFO also approves at the first level the Accounting policy, the main reporting methodologies and evaluates the acceptance of the work of used independent experts (appraisers, actuaries, consultants, etc.) involved in the financial reporting process. He monitors on an ongoing basis, together with the Chief accountant, the effects and risks on the financial statements of the identified business risks for the company.

The Chief accountant organizes and manages the accounting activity of the company - controls and methodologically, directs the current accounting, manages the preparation of financial and management reports; is responsible for the development and implementation of accounting methodologies and techniques; is responsible for the process of accounting closing and preparation of all accounting estimates, proposes and develops accounting policies and changes in them, monitors current changes in IFRS. He is the direct contact with the internal and external experts used for the purposes of financial reporting.

1.4. Philosophy and operational style of leadership

The management of the Group prepares the financial statements, adhering to the principle of providing a true and fair view of the condition of the Group and its accounting results. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are in accordance with local law.

Management confirms that it has consistently applied an adequate accounting policy and that the principle of prudence in the assessment of assets, liabilities, income and expenses has been observed in the preparation of the financial statements as of December 31.

Management also confirms that it has adhered to the applicable accounting standards, and the financial statements have been prepared on the going concern basis.

Management is responsible for the proper keeping of accounting records, for the proper management of assets and for taking the necessary measures to avoid and detect possible abuses and other irregularities.

1.5. Human resource management policies and practices.

In the Group a Procedure has been developed for selection and appointment of employees, as well as a Procedure for evaluation of employees;

1.6. Competence of the staff.

The requirements for the competence of the employees are laid down in the job descriptions. The desire and the need for additional qualification are reflected in the annual individual plans of the employees. They are prepared on the basis of the annual evaluation of the company's employees. Following the completion of the annual evaluations, the results in terms of areas for improving skills and competences are discussed with the directors of departments and a training program is prepared. The management provides the opportunity to develop the necessary knowledge and skills by including them in appropriate training programs.

2. Process for risk evaluation in “Sirma Group Holding” AD.

Risk management is a mandatory element of the overall management process of the Group.

It is known that every organization is dynamic and involves a constant transition - in time, money, participants, therefore there is always a certain risk that needs to be managed. The purpose of risk management in the Group is: To maximize the probability of a positive impact on its activities, and to reduce to a minimum the probability of a negative impact.

The management of the Group perceives risk management as a key activity contributing to the achievement of the Group 's objectives. For this purpose, all decisions / actions taken to manage the identified risks and to ensure a periodic review of the process, in view of its timeliness, are documented.

The operating environment in which the Management of the parent company operates is the framework in which risk management should be applied. It consists of external and internal factors for the Group that affect its activities.

The main types of risks and their detailed description related to the company's activities and the policy for their management are regulated in item 11 – “Risk factors” of the Report on the Group's activities for 2025, to which this declaration is attached.

The Risk management policy is applied in an integrated manner and in accordance with all other policies and principles regulated in the internal acts of the Group.

3. Information system

The Group has implemented and uses a set of different software products forming an Information System related to financial reporting and communication. Elements of the overall information system are:

- Financial and accounting software ERP system - serves to reflect all income and expenditure operations on bank accounts and their distribution by items;
- Payroll software - serves to automate the formation of remuneration of employees in the Company and automate the mandatory deductions and installments on individual accounts;

In general, the Information System covers methods and documentation that:

- identify and reflect all valid transactions and operations;
- describe contracts and transactions in a timely manner in sufficient detail to enable them to be properly classified for financial reporting purposes;
- determine the value of transactions and operations in a way that allows their appropriate monetary value to be reflected in the financial statements;
- determine the time period during which the transactions and operations have occurred in order to allow their recording in the appropriate accounting period;
- present deals and transactions and related disclosures in the financial statements as appropriate.

The quality of the information generated by the systems affects the ability of the Management to make appropriate decisions in the management and control of the activities of the enterprise and in the preparation of reliable financial statements.

Communication, which includes providing an understanding of individual roles and responsibilities related to internal control over financial reporting, is done electronically or through the actions of Management.

4. Control activities, policies and procedures.

The control activities, which are related to the audit, may be categorized as follows:

4.1. Reviews of the implementation and results of the activity

- reviews and analysis of the real results compared to budgets, forecasts and results from previous periods;
- linking different groups of data - operational or financial - together with analyzes of relationships and exploratory and corrective measures;
- comparison of internal data with external sources of information;
- review of the results of the work by functions or by activities.

4.2. Information processing

The two common categories of the control activities in information systems are application program controls and general IT controls, which are policies and procedures related to multiple application programs and support the effective functioning of application program controls by helping to ensure the continued proper functioning of information systems.

Examples of application controls include:

- checking the mathematical accuracy of the records;
- maintenance and review of accounts and turnover sheets;
- Automated controls, such as input checks and numbering sequence checks and non-automatic tracking of exception reports.

Examples of common IT controls include:

- controls over the change of programs;
- controls that restrict access to programs or data;
- controls over the implementation of new editions of bundled software applications;
- Controls over system software that restrict access or ongoing monitoring of the use of system support features that could alter financial data or records without leaving a trace.

4.3. Physical controls

These activities include:

- the physical security of the assets, including appropriate security measures, such as secure facilities and conditions for access to assets and documents;
- approval of access to computer programs and data files;
- periodic counting and comparison with the amounts recorded in the control documents (for example, comparison of the results of the cash counting and the results of the inventories with the accounting documents).

The extent to which physical controls aimed at preventing theft of assets relate to the reliability of the financial statements and therefore to the audit, depends on circumstances, such as cases where the assets are highly susceptible to misuse.

4.4. Distribution of the responsibilities

Assigning responsibilities for approving transactions and operations, recording them and maintaining responsibility for the assets of various employees. The distribution of duties is intended to reduce the possibility of allowing an employee to be in a position to both commit and conceal errors or fraud in the normal course of his duties.

5. Ongoing monitoring of controls

The control in the Group is a continuous process carried out by the Management, the Administration and the personnel in the Group.

The ongoing control process aims to achieve reasonable confidence in the achievement of the objectives, divided into the following categories:

SIRMA GROUP

- implementation and optimization of operations;
- reliability of financial and accounting information;
- compliance with the laws and by-laws.

Management's ongoing monitoring of controls includes an assessment of whether they are operating as intended and whether they are being modified in an appropriate manner to reflect changes in conditions. Ongoing monitoring of controls includes:

- Management review - which addresses the main objectives of the organization, including those related to performance, cost-effectiveness and resource conservation.
- Assessment by internal auditors of compliance with the Company's policy - which includes the preparation of reliable financial statements - interim results and published statements of results.
- Supervision over the observance of the ethical norms or the policy for business practice in the Company - which covers the compliance with the laws and by-laws, regulating the activity of the organization.

Ongoing monitoring is carried out to ensure that controls continue to operate effectively over time.

The assessment of the current monitoring of the controls in the Group is assigned on a rotating basis to external Audit companies, which will confirm the proper functioning of the internal controls or give their recommendations for their improvement.

Inventory of required documents

1. Code of Ethics;

2. Job descriptions for the following posts:

- regular accountants, cashiers, accountants and employees of “Reporting” department;
- senior accountants;
- deputy Chief Accountants;
- Controller
- Chief Accountant;
- Financial director.

3. Rules of the Board of Directors and the Audit Committee. Both documents must have a section for reviewing the financial statements, accounting policies, significant accounting estimates. Ongoing monitoring at two levels - by the Board of Directors / Management Board and respectively from Audit Committee.
4. Organizational structure of the company with written functions, responsibilities and powers of the individual units in terms of financial reporting;
5. Rules and criteria for selection of qualified persons from the financial and accounting departments and the "Reporting" department - with a focus on educational qualifications, previous professional experience, past achievements and evidence of integrity and ethical behavior.
6. The policy for training of the staff of the financial and accounting departments and the "Reporting" department;
7. Policy for attestations, promotions and bonuses of the financial accounting staff and other persons engaged in the financial reporting process;

IV. Information on the availability of takeover/merger proposals in 2025 (information under Article 10 (1) (c), (d), (f), (h) and (i) of Directive 2004/25/EC of the European Parliament and of the Council from 21 April 2004 on takeover bids pursuant to the provisions of Article 100m (8) (4) of the POSA)

1. As at 31.12.2025, no proposals for takeover and/or merger with another company have been made to the Group.
2. Information under Art. 10 of Directive 2004/25 / EC of the European Parliament and of the Council from 21 April 2004
 - The Group is described in item 4, "Functioning of the Group" in the Annual Consolidated Management Report for 2025, to which this declaration is an Annex.
 - The parent company does not have shares that give special control rights.
 - There are no restrictions on voting rights, such as restrictions on the voting rights of holders of a certain capital percentage or number of votes, deadlines for the exercise of voting rights in relation to the shares issued by the parent company.
 - The rules for the election of members of the Board of Directors of the parent company are regulated in the parent company 's Articles of Association.

- The powers of the members of the Board of Directors are specified in Art. 41 of the Articles of Association of the company. The rights to issue or buy back shares are within the competence of the General Meeting of Shareholders.

V. Composition and function of the administrative and management bodies and their committees (Information under Article 100m, paragraph 8, item 5 of POSA)

BOARD OF DIRECTORS OF THE PARENT COMPANT

1. Functions and duties

1.1. The Board of Directors of the parent company manages the Group independently and responsibly in accordance with the established Vision, goals and strategies of the Group and the interests of the shareholders. The members of the Board of Directors provide a guarantee for their management to the amount of their three-month gross remuneration, as determined by the General Meeting of Shareholders.

1.2. The Board of Directors of the parent company establishes and controls the strategic directions for development of the Company.

1.3. The Board of Directors of the parent company establishes the Group's risk management policy and controls the establishment and functioning of the internal control and risk management systems.

1.4. The Board of Directors of the parent company shall ensure the observance of the legal, regulatory and contractual obligations of the Group in accordance with the adopted Articles of Association and Rules of Procedure of the Board of Directors.

1.5. The Board of Directors of the parent company is responsible for the establishment and reliable operation of the financial and information system of the Group.

1.6. The Board of Directors of the parent company gives guidance, approves and controls the implementation of the business plan of the Group, transactions of substantial nature, as well as other activities established in the Group's statutes.

1.7. The Board of Directors of the parent company approves the disclosure policy in accordance with legal requirements and statutes. The information disclosure system ensures that addresses of information (shareholders, stakeholders, investment community) are not discriminated and does not allow abuse of insider information and market manipulation of financial instruments.

1.8. During their term of office, the members of the Board of Directors of the parent company are

guided in their activity by the generally accepted principles of integrity, managerial and professional competence. The Board of Directors of the parent company adheres to the Code of Ethics of the Group's employees.

1.9. The Board of Directors of the parent company reports its actions to the General Meeting of Shareholders by preparing an annual report on its activities and submitting it for acceptance by the General Meeting of Shareholders of the parent company.

2. Election and dismissal of members of the Board of Directors

2.1. The General Meeting of Shareholders of the parent company elects and releases the members of the Board of Directors of “SIRMA GROUP HOLDING” AD, in accordance with the law and the statutes of the Company, observing the principles of continuity and sustainability of the Board of Directors' work. All members meet the legal requirements for taking their position.

2.2. The management contracts with the members of the Board of Directors determine their duties and tasks, the criteria for the amount of their remuneration, their loyalty obligations to the Company and the grounds for the waiver. The management contract with a member of the Board of Directors or the Executive Director respectively are in compliance with the Articles of Association of the Company and the Board of Directors' Policy for Determining the Remuneration of the Members of the Board of Directors as approved by the General Meeting of the Shareholders on 04.12.2014.

3. Structure and competence

3.1. The number of members and the structure of the Board of Directors of the parent company is defined in the Articles of Association of the parent company. The parent company is managed and represented by a Board of Directors, which consists of nine individuals, meeting the requirements of Article 234 of the Commercial Act and Article 116 a, paragraph 2 of the Public Offering of Securities Act.

3.2. The composition of the Board of Directors of the parent company elected by the General Meeting is structured in such a way as to ensure the professionalism, impartiality and independence of the decisions and actions of its members in relation to the management of the Group.

3.3. The Board of Directors of the parent company shall ensure a proper division of tasks and duties among its members. The main function of the independent directors is to control the actions of the executive management and to participate effectively in the Group's work in accordance with the interests and rights of the shareholders. The main functions of the members of the Board of Directors of the parent company, as well as these of the independent members, are laid down in

the Articles of Association of the Company. There is three independent member of the Board of Directors of the parent company.

- 3.4.** The competencies, rights and obligations of the members of the Board of Directors of the parent company follow the requirements of law, statutes and standards of good professional and managerial practice.
- 3.5.** The members of the Board of Directors of the parent company have the appropriate knowledge and experience, which are required by their position. After their election, the new members of the Board of Directors of the parent company are acquainted with the main legal and financial issues related to the Group's activities. The Group encourages the improvement of the qualification of the members of the Board of Directors.
- 3.6.** The members of the Board of Directors of the parent company have the necessary time to perform their tasks and duties. The Statute of the parent company does not specify the number of companies in which the members of the Board of Directors of the parent company may be in managerial positions, as the activity of the members of the Board of Directors of the parent company cannot be limited.
- 3.7.** The election of the members of the Board of Directors of the parent company takes place through a transparent procedure which provides, among other things, timely and sufficient information on the personal and professional qualities of the members. The number of successive mandates of the members of the Board of Directors of the parent company ensures the effective operation of the Group and compliance with the legal requirements. According to the Articles of Association of the parent company, the members of the Board of Directors of the parent company may be re-elected without any restrictions.

4. Remuneration

- 4.1.** The Board of Directors of the parent company prepared a remuneration policy for the members of the Board of Directors adopted by the General Meeting of Shareholders of the parent company on 04.12.2014, last amended by a decision of the extraordinary GMS of 17.09.2024. The remuneration policy has been developed in accordance with Ordinance No 48 from 20 March 2013 of the Financial Supervision Commission and the Public Offering of Securities Act. The amount and structure of remuneration shall be determined by the General Meeting of the parent company.
- 4.2.** In accordance with legal requirements and good corporate governance practice, the size and structure of the remuneration take into account:
- 4.2.1. The duties and the contribution of each member of the Board of Directors of the parent company to the Group's activities and results. The members of the Board of Directors of the parent company receive a permanent remuneration in the form of an amount determined by the General Meeting of Shareholders paid under the terms and within the periods as determined in the management contracts concluded between them and the parent company.
- 4.2.2. The ability to select and retain qualified and loyal members of the Board of Directors of the parent company. These requirements are applied through the remuneration policy of the members of the Board of Directors adopted by the General Meeting of Shareholders on 04.12.2014.
- 4.2.3. The need to reconcile the interests of the members of the Board of Directors of the parent company and the long-term interests of the Group. The remunerations of the members of the Board of Directors of the parent company are based on the results of the Group's operations and are in line with the Group's business strategy, objectives, values and long-term interests.
- 4.3.** The executive member of the Board of Directors of the parent company receives a permanent remuneration in the form of an amount determined by the General Meeting of Shareholders, paid under the terms and within the periods as set in the management contract concluded between him and the parent company.
- 4.3.1. The remunerations and benefits of the members of the Board of Directors of the parent company and the Executive Director of the parent company shall be determined by the General Meeting of Shareholders.

4.3.2. As of 31.12.2025, no shares or other financial instruments have been granted to the members of the Board of Directors. There is an approved scheme for variable remuneration in the form of shares, which will be transferred to the members of the Board of Directors after 3 years at the earliest.

4.4. The members of the Board of Directors of the parent company receive a permanent remuneration in the form of an amount determined by the General Meeting of Shareholders paid under the terms and within the periods as set in the management contracts concluded between them and the parent company.

4.5. The disclosure of information about the remuneration of the members of the Board of Directors is in accordance with the legal requirements and the parent company's statutes:

4.5.1. Information about the remuneration of the members of the Board of Directors of the parent company is presented in the annual financial statements and is published on the website www.sirma.com.

5. Committees

5.1. The work of the Board of Directors of the parent company is assisted by committees. The Board of Directors of the parent company determines the necessity of their establishment in accordance with the specifics of the Group. The committees are set up on the basis of a written structure, range of tasks, way of functioning and reporting procedures.

As of now the Board of Directors has the following committees elected:

- Investment and risk committee – responsible for defining and executing the investment policy of the Group;
- Remuneration committee – responsible for defining and executing the remuneration policy for the executive staff and key personnel at the Group;
- Information disclosure committee - responsible for the organization and control of information disclosure by the Group.

5.2. In accordance with the requirements of the current legislation and on the basis of the criteria set by it, the Board of Directors of the parent company proposes to the General Meeting of Shareholders of the parent company to elect an Audit Committee with a composition meeting the legal requirements and the specific needs of the Group.

The audit committee of “SIRMA GROUP HOLDING” AD was changed with the decision of GMS, held on 24.06.2022.

The members of the Audit Committee meet the requirements set forth in Article 40f (3) and (4) of the Independent Financial Audit Act.

GENERAL MEETING OF SHAREHOLDERS

5.3. All shareholders are entitled to participate in the General Meeting of Shareholders of the parent company and to express their opinion:

5.3.1. Shareholders entitled to vote have the opportunity to exercise their voting rights at the General Meeting of the parent company in person or through representatives, as well as by correspondence or by electronic means.

5.3.2. The corporate management of the parent company applies effective control by creating the necessary organization for the voting of the authorized persons in accordance with the instructions of the shareholders or in the ways set forth in the legislation.

5.3.3. The corporate management of the parent company shall establish rules for the organization and holding of the regular and extraordinary General Meetings of the parent company's shareholders, which ensures equal treatment of all shareholders and the right of each shareholder to express their opinion on the items on the agenda of the General Meeting.

5.3.4. The corporate management of the parent company organizes the procedures and the terms of the General Meeting of Shareholders in a way which does not make the voting unnecessarily difficult or expensive.

5.3.5. The corporate management takes action to encourage the participation of shareholders in the General Meeting of Shareholders, by providing the possibility of remote access by technical means (including the Internet) where this is possible and necessary and does not contradict item 23.2.4. of this Code.

5.4. All members of the corporate management of the parent company shall endeavor to attend the General Meetings of the Shareholders of the parent company.

5.5. Materials for the General Meeting of Shareholders:

5.5.1. All texts in the written materials, connected to the Agenda of the General Meeting of Shareholders must be clear, accurate and to the point in order not to mislead the shareholders. All proposals related to major corporate events shall be presented as separate

items on the Agenda of the General Meeting, including the proposal for distribution of dividends.

5.5.2. Corporate management of the parent company assists shareholders, entitled under the current legislation, to include additional items on the agenda of the General Meeting of Shareholders.

5.7 The corporate management of the parent company guarantees the right of the shareholders to be informed about the decisions taken at the General Meeting of Shareholders.

The Group publishes the Corporate Governance Code and the present Corporate Governance Declaration on the Group's website www.sirma.com for disclosure of information pursuant to Art. 100m, para. 7 and 8 of POSA.

In this respect, the requirement of Article 100m, Paragraphs 7 and 8 of POSA and Article 40, Paragraphs 1 and 2 of the Accountancy Act shall be deemed to be met.

This Declaration of Corporate Governance is an integral part of the 2025 Annual Consolidated Financial Statements of “Sirma Group Holding” AD.

Tsvetan Alexiev

Tsvetan
Borisov
Alexiev

Digitally signed
by Tsvetan
Borisov Alexiev
Date: 2026.04.29
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CEO of “Sirma Group Holding” AD



Sirma



Digital Excellence With a Sustainable Mindset

2025 Sustainability Report of Sirma Group Holding JSC
and its Subsidiaries





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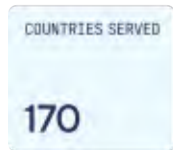
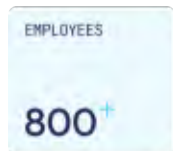
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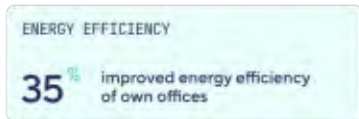
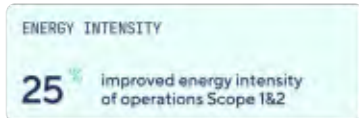
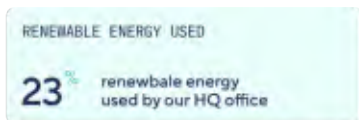


Highlights Sirma 2025

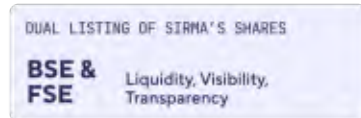
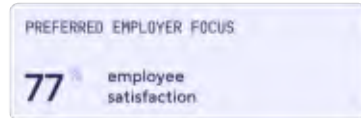
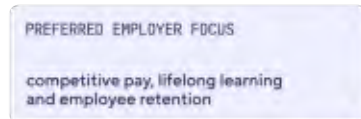
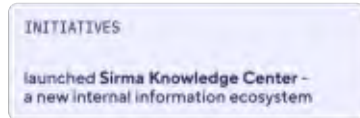
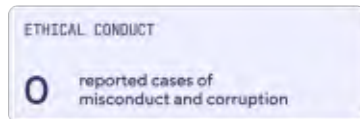
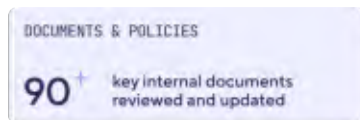
Business



Climate



Governance





Statement by CEO Tsvetan Alexiev

"Dear shareholders, investors, customers, partners, and colleagues,

2025 was a year in which Sirma continued to demonstrate that sustainability is not a separate program, but rather a way of managing the business – through the lens of results, risk, people, technological ethics, and trust. For us, sustainability begins with economic sustainability—the ability to grow profitably and predictably—and is built upon social responsibility, good governance, and control over the environmental footprint of our operations.

In 2025, we operated in an environment of dynamic market expectations for the technology sector—accelerated AI adoption, heightened cybersecurity requirements, pressure for efficiency, and growing investor sensitivity to risk management (regulatory, technological, human resources, and reputational).



Tsvetan Alexiev
CEO,
Sirma Group Holding JSC

Trust is a competitive advantage

Our response was to remain true to our business model: deep vertical expertise, an AI-first approach, sustainable client relationships, and discipline in execution, supported by a clear framework for managing material ESG issues through due diligence, measurement, and disclosure processes.

For a technology company like ours, risk manifests most strongly where the greatest opportunities lie: in talent, data, security, and the speed of innovation. That is why we view sustainability as the management of impact, risk, and opportunities—an approach embedded in our Sustainability Policy and in our methodology for the annual update of material topics. There are several topics that defined 2025 for Sirma.

First—capital markets and trust. “Caring for our shareholders” has been an important sustainability topic since Sirma went public in 2015. In 2025 this topic became a leading one. This was the year of preparation and finalization of a key strategic move: the dual listing on the Frankfurt Stock Exchange (FSE). Although trading began in February 2026, this event is a direct result of the efforts, discipline, and standards we demonstrated in 2025—transparency, compliance and accountability. All of this leads to improved visibility for Sirma and liquidity for our shares in the coming years.

Second – people and organizational sustainability. For us, employees are a key asset and a leading factor in competitiveness. Our policy is focused on being a “preferred employer,” investing in lifelong learning, maintaining fair practices and practices and creating an environment where motivated employees choose to and contribute their best. In 2025, we continued

to strengthen these areas because talent and culture are our strongest buffer against market volatility.

Third – responsible digitalization and customer value. In our model, sustainability is also reflected in the fact that our technologies help customers improve their efficiency, optimize processes, reduce resource intensity, and enhance security. This is a direct link between our economic sustainability and the sustainability of our customers and end-users.

What we have achieved and where progress has been made

In 2025, we made progress on several fronts.

- **Progress in the ESG governance and reporting framework:** We continued to apply our approach based on CSRD/ESRS logic—identifying material topics, indicators, targets, and disclosures. This is the foundation that allows investors to assess both the impact and the maturity of risk management.
- **Progress on climate and resources:** As an IT company, our primary environmental footprint relates to energy, emissions from electricity consumption, and e-waste management. We have already undertaken measurement and analysis of Scope 1 and 2 emissions, energy efficiency measures, and renewable electricity generation—a foundation upon which we continued to build in 2025.
- **Financial sustainability and discipline:** 2025 brought significant improvements in financial results at the group level, which is key because it is precisely economic sustainability that funds the other dimensions—people, innovation, environment, and governance.

Challenges in 2025 and their impact on the business

In 2025, they were concentrated in three groups:

- **Market and technological dynamics** – an accelerated AI cycle, the need for rapid product adaptation, and data protection. This increases the demands on quality, security, and project risk management.
- **Competition for talent** – for the IT sector, talent remains a strategic risk; that is why we invested in retention, training, and culture.
- **Regulatory and reporting expectations** – expanded compliance related to dual listing, as well as the evolving sustainability and reporting framework, requires capacity, processes, and internal expertise, which we are purposefully building.

Our short- and long-term vision

Short term (next 12–24 months) our ambition is clear:

to capitalize on the international visibility and standard of transparency that dual listing in Frankfurt brings;

to strengthen the management of material ESG issues through even better metrics, internal controls, and reporting;

to continue improving energy efficiency and increasing the share of renewable energy in our operations, where applicable and economically justified.



Long-term our vision is for Sirma to establish itself as a European technology group that creates value for investors through sustainable growth and discipline, and for society through responsible digitalization. To be a company where trust is a competitive advantage—trust built through responsible partnerships, transparency toward shareholders, and a stable culture that attracts and develops talent.

In conclusion, 2025 has reinforced our conviction that sustainability is the most logical business approach: it reduces risk and costs, increases efficiency, and strengthens our relationship with investors and customers. I am grateful to the Sirma team, our partners, and our shareholders for their trust and support. We are entering the next stage of development with confidence—with a clear direction, higher standards, and the ambition to grow sustainably and with international visibility.”

Tsvetan Alexiev
CEO, Sirma Group Holding JSC



Stanislav Tanushev
Investor Relations and
Sustainability Director,
Sirma Group Holding JSC

We embed sustainability at the core of our operations

Scope: Statement by the Sustainability Director, Sirma Group Holding JSC Stanislav Tanushev

“In today’s business environment, digital transformation and sustainable development are interrelated and mutually reinforcing areas. Sirma views sustainability as a key principle in the development of its digital solutions and management approaches, aiming to create long-term value for all stakeholders. By integrating sustainable thinking into technological development, the company supports responsible growth, greater efficiency, and the strengthening of market and investor confidence.

At Sirma Group Holding JSC and our subsidiaries—collectively Sirma—we embed sustainability at the core of our operations. We embrace the United Nations World Commission on Environment and Development’s definition: **the ability to meet present needs without jeopardizing future generations**, achieved through balancing economic growth, environmental protection, and social well-being.

Sirma has disclosed publicly its sustainability initiatives since 2022, however our sustainability actions have been with us since incorporation. Sustainability reporting requirements have been dynamic in Europe in the past 2 years. This year Sirma is officially not required to disclose sustainability data. Yet, we maintain the same commitment to

sustainability reporting as in the past. For 2025 Sirma is providing voluntarily its non-financial information using the guidelines provided in the Corporate Sustainability Reporting Directive 2022/2464 (CSRD) and the standards thereto (ESRS) as they stand in March 2026.

Looking at the various material sustainability topics for Sirma, in 2025 the focus was yet again on the social ones. For an IT software and service company these are of utmost importance – we can provide a good service only once and we need qualified and motivated employees to do so. The topics “Fair Employer”, “Preferred Employer”, and “Lifelong Learning” stayed strong during the year.

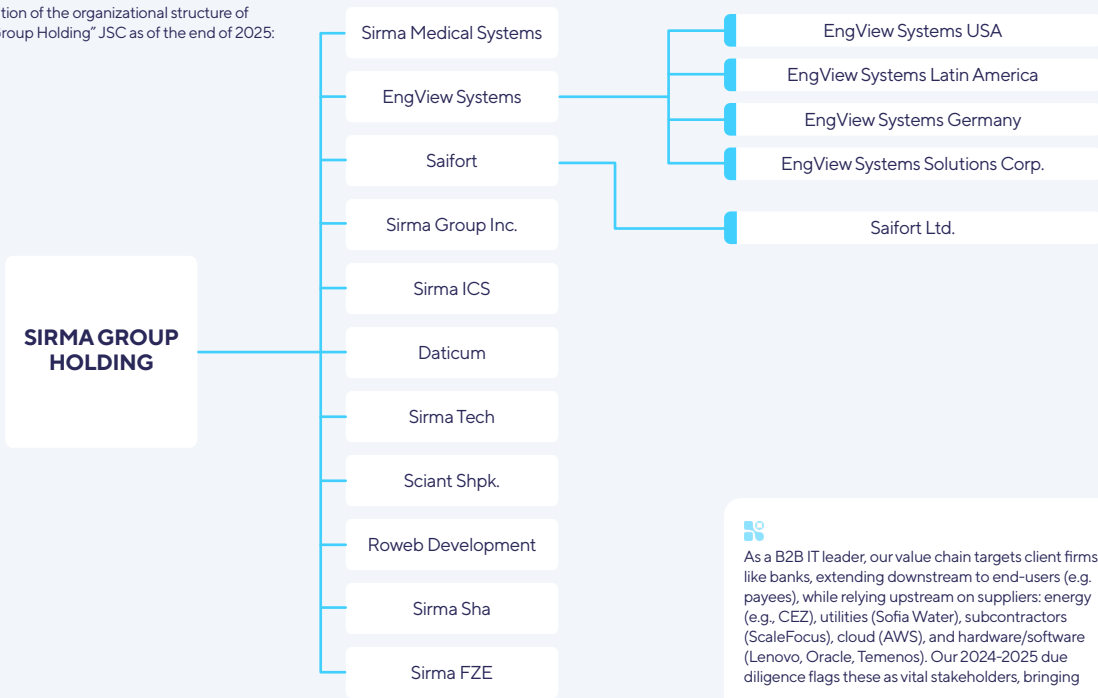
2025, brought something new for Sirma. The Governance topic “Shareholder care” expanded largely its importance. We have always taken great care to achieve full compliance with Bulgarian and EU regulations, as well as maximum transparency of operations and rigorous protection of our shareholder rights. This year, however, the topic expanded to include the Frankfurt Stock Exchange rules and German shareholder protection following the double listing of Sirma on the German market. Compliance and shareholder care were strongly enhanced.

Given 2025 Bulgarian legislative updates delaying CSRD transposition this unaudited report is prepared on a consolidated basis, mirroring our financial reporting scope across all majority-owned subsidiaries. The financial details are described in our Annual Management Report, Consolidated Financial Statements, and Notes. The Sirma Group is united under shared strategies, values, policies, governance visions, and personnel practices.





Visualization of the organizational structure of "Sirma Group Holding" JSC as of the end of 2025:



with them specific risks, and opportunities [see Stakeholders and Materiality]. Sustainability analysis centers on our geographic offices. We exclude seven immaterial smaller offices (<1% employees in 2025) due to immaterial impact, aggregating their staff into larger units.

- For oversight, we track indicators by key countries:
- **Bulgaria: 9 offices**
Sofia (x4), Varna (x2), Plovdiv (x2), Ruse (x1);
 - **Albania: 2 offices**
Tirana (x2)
 - **Romania: 3 offices**
Bucharest, Pitesti, Craiova

Finer breakdowns—by company, vertical, city, or office—hold no material weight, owing to our consistent business performance, shared infrastructure, uniform environmental/social impacts, aligned risks, and collaborative projects across teams and locations.

This report covers events and achievements from 2025 and is published together with the audited consolidated financial statements for 2025. At the same time, some of the topics covered in the report are directly related to an event that occurred in early 2026, namely: the dual listing of the Company's shares on the Frankfurt Stock Exchange.

Investor information, ESG updates and additional company news may be accessed on the [dedicated section of our website](#)."

Stanislav Tanushev
Investor Relations and Sustainability Director,
Sirma Group Holding JSC

As a B2B IT leader, our value chain targets client firms like banks, extending downstream to end-users (e.g. payees), while relying upstream on suppliers: energy (e.g., CEZ), utilities (Sofia Water), subcontractors (ScaleFocus), cloud (AWS), and hardware/software (Lenovo, Oracle, Temenos). Our 2024-2025 due diligence flags these as vital stakeholders, bringing



The Business Model of Sirma

Organization

The companies from the economic group of Sirma Group Holding JSC form one of the largest ICT holding companies in Bulgaria with over 33 years of history. The company develops mainly in the information technology sector.

Sirma is a regional leader in the field of IT services, software development, and system integration. The group has a set of its own innovative technologies, in-depth expertise in a number of economic verticals, a diverse product portfolio, and a growing market share in Europe and North America.

In 2015 Sirma was listed for trading on the Bulgarian Stock Exchange after the successful public offering of shares. In early 2026 Sirma achieved a dual listing with its shares being accepted for trade on the Frankfurt Stock Exchange.

Added Value

Sirma is a B2B IT service provider. Tapping into its accumulated vast business knowledge of vertical technology solutions, Sirma anticipates its clients' needs.

Mission

We help companies transition to intelligent enterprises, by rendering to them software technologies for digitalization and transformation.

The company facilitates organizations to understand, incorporate in their business and apply the latest technology solutions. In doing so, Sirma helps its clients:



Improve their business processes



Increase efficiency



Strengthen competitiveness



Enhance security



Boost productivity

Products and Services

The companies of Sirma Group offer the following technology solutions, and services linked with them to their clients:

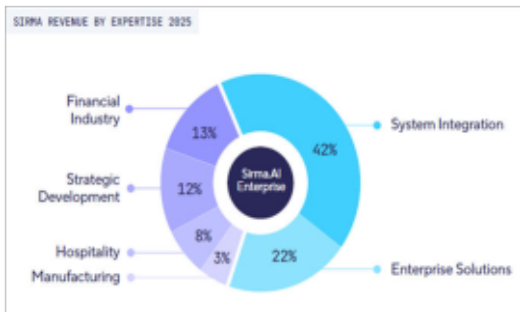




Serviced Client Groups

Currently, companies in the Group operate domestically and internationally in 6 client business groups, "sectors" or "verticals": Financial Institutions and Fintech, Insurance Institutions, Industrial Software, Healthcare, Logistics and Transport, and Hospitality. Although Sirma offers similar IT products and services to each different vertical, over time the Company accumulates knowledge and expertise that are specific to the different client groups/verticals. This competence provides added value for clients from the different verticals and improves the results of the offered IT products and services.

SIRMA REVENUE BY EXPERTISE 2025



FEATURED CLIENTS



Deloitte.



HEIDELBERG



temenos



UK Parliament

BANK OF AMERICA

INDUSTRIES



FinTech



InsurTech



Healthcare



Travel & Hospitality



Transportation & Logistics



Packaging & Measurement



Cross Industry



Retail



Public Sector

SERVICES

Knowledge Management and AI

System integration, Business and IT consulting

Cyber Security for applicatons

Cloud services and Infrastructure

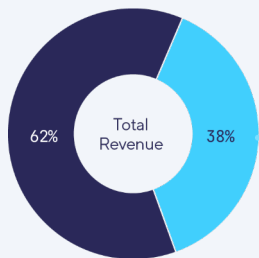
Next-Gen cloud applications

DevOps

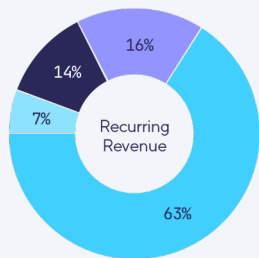


Client Sustainability

FINANCIAL PERFORMANCE RECURRING REVENUE



■ Total Recurring Revenue - 49,415 '000 BGN
 ■ Other Revenue - 81,371 '000 BGN

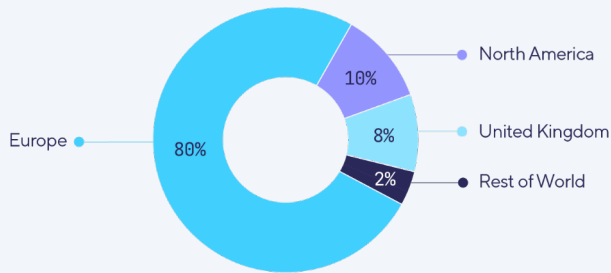


■ IT Systems Development and Management - 31,259 '000 BGN
 ■ Long-Term Contract Services - 7,795 '000 BGN
 ■ Support and Service - 7,048 '000 BGN
 ■ Subscriptions and Licenses - 3,313 '000 BGN



Geographic Penetration

REVENUE BY GEOGRAPHIC MARKETS 2025



■ Europe - 105,231 '000 BGN
 ■ North America - 12,638 '000 BGN
 ■ United Kingdom - 10,292 '000 BGN
 ■ Rest of World (Asia, South America, Australia, Africa) - 2,625 '000 BGN





Financial Performance

Information on Sirma's financial performance in 2025 is included in the Consolidated Management Report, the Financial Statements, and the Notes thereto, which are published together with this report. Here are some important highlights:

REVENUE 2025

130 M BGN

↑ 30.77%

EBITDA

10.5 M BGN

↑ 80.68%

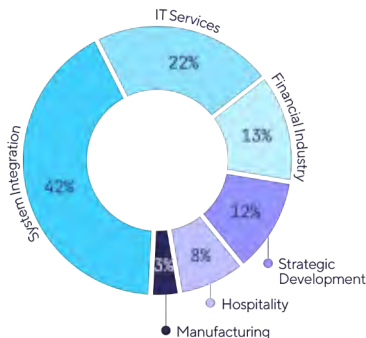
NET PROFIT

4 M BGN

↑ 269.66%

(Percent changes are calculated relative to 2024)

Revenue by Segment



Risks

As an IT company operating in a dynamic and highly competitive environment, we are exposed to a range of risks driven by rapid technological advancements, including the accelerated adoption of artificial intelligence, evolving cybersecurity threats, and increasing regulatory expectations. In this context,

our key risks span operational, technological, and compliance-related areas, as well as those linked to human capital and data protection.

We systematically identify, assess, and manage these risks through established internal processes and control mechanisms, with further details outlined in the relevant internal policies and documents.

Our principal ESG risks are associated with energy consumption and carbon footprint management, the attraction and retention of talent, diversity and inclusion, and ensuring high standards of cybersecurity, data protection, and responsible AI use.

A more detailed description of these risks, along with the measures undertaken to mitigate them, is provided in the sections dedicated to material topics below in this report and the "[Risk Management Policy](#)" of Sirma.

Risk Management

At Sirma risk management is embedded in a dedicated policy framework that ensures a consistent and proactive approach to identifying, assessing, and mitigating risks across the organization. The core elements of this framework include:

Risk Identification:

Sirma identifies and documents risks across all areas, including cybersecurity, operational, financial, and compliance. Employees report relevant risks, which are escalated to the [Committee for Investments, Risk and Sustainability](#) to the Board of Directors of Sirma Group Holding JSC.

Risk Assessment:

Risks are evaluated based on their likelihood and potential impact on the Group's sustainability and business objectives. Sirma uses a Risk Matrix (see "[Risk Management Policy](#)") to classify risks as high, medium, or low priority, guiding resource allocation for mitigation.

Risk Mitigation:

Mitigation strategies are developed and assigned to responsible individuals, documented, and monitored for effectiveness, with outcomes summarized in the Risk Matrix.

Risk Monitoring and Review:

The Committee for Investments, Risk and Sustainability continuously monitors mitigation measures and periodically reviews risks, adjusting strategies as needed in response to internal or external changes.

Risk Reporting:

Regular reports on risks, mitigation efforts, and emerging threats are provided to senior management and the Board. Quarterly updates are included in the Management Reports, which Sirma discloses publicly.



Risk Management Responsibilities

OVERSEE

Board of Directors

The BD is responsible for providing oversight and direction for the risk management process. They ensure that adequate resources are allocated for risk management activities and that risk management objectives are aligned with the organization's strategic goals.

COORDINATE

Committee for Investments, Risk and Sustainability

The Committee is responsible for coordinating risk identification, assessment, mitigation, and monitoring activities across the organization. They facilitate risk management training for employees, provide risk management support for the Board of directors, and ensure guidance on risk-related matters.

IMPLEMENT

Senior Management

Accountable for implementing and enforcing the risk management policy, overseeing risk assessments, and ensuring that appropriate controls are in place.

REPORT

Employees

All employees are responsible for adhering to risk management policies and procedures, promptly reporting any potential risks or incidents, and actively participating in risk assessment and mitigation activities within their respective roles.

Resilience and Sustainability

Sirma's sustainability largely stems from the strong diversification of the Company's activities—diversification in terms of the technologies offered, diversification of the verticals served, and diversification of geographical penetration – if some of these would falter, the rest shall compensate. This flexibility and sustainability has been proven over the years in the face of various global, regional, and local crises, where Sirma and the products and services it offers, along with all other IT companies, have been seen not as victims but as solutions to the crises.

Sirma incorporates sustainability in its business strategy with "Economic sustainability" being a major emphasis. The remaining ESG topics are not considered by Sirma as cost-generating activities, rather a way to reduce risk and improve innovation and productivity:

E Producing its own solar electricity, Sirma reduces both its carbon footprint and the risk of energy shortages and/or spikes in energy prices;

S Caring for its employees and investing in their working conditions and skill sets only strengthen Sirma and motivate its workforce;

G Warranting transparency attracts investors, employees and partners who create the environment for success and reduces turnover rates.





Growth Drivers

A. Organic Growth and Market Expansion

Enhance Core Competencies:

- Invest in R&D with special focus on AI, machine learning, and other emerging technologies, ensuring that your product portfolio remains ahead of industry trends
- Expand our customer base in the established industry verticals with deeper relationship management and tailored solution offerings.
- Add other vertical expertise through acquisitions / partnerships with recognizable domain players.
- Become a player of significance in the near-east technology market.

Operational Excellence:

- Optimize internal operations with lean management, advanced analytics, and scalable IT infrastructure.
- Place an increased emphasis on talent acquisition, development, and retention to support growth and innovation.
- Introduce efficient AI techniques at all levels of delivery and management. Grow Sirma's enterprise AI core.

Outcome:

A stronger, self-sustaining core that not only prepares the business for scalable operations following acquisition activities but also builds intrinsic market momentum.

B. Strategic Acquisitions and Integration

Targeted Acquisition:

- Identify a future acquisition target with 100-150 FTEs and EUR 10-20M in revenue; ensure the target is highly active in AI technologies and aligns with the group's strategic vision.
- Use a robust due diligence process that evaluates cultural fit, technological compatibility, and synergy potential.

Integrated Roadmap:

- Cherry-pick synergies – realize the cross- and up-sell potential of the transaction. Smoothen team interactions and delivery.
- When ripe, establish a dedicated integration team with clear KPIs for merging operations, systems, and cultures.
- Plan for knowledge transfer and retention of key talent to ensure a seamless transition that accelerates market competence and revenue growth.

Outcome:

An enhanced portfolio of capabilities that strengthens our market position and provides the technological edge required to lead in the AI-driven market landscape.

C. Financial Strength and Capital Strategy

Dual Listing on FSE (2026):

- Strengthen governance frameworks and reporting processes to meet dual listing requirements, thereby enhancing investor confidence and liquidity.
- Engage in marketing activities to foster brand recognition and build trust in potential clients in the DACH region.

Capital Raise (End 2028):

- Organize a capital-raising round to secure EUR 50-100M, which will be allocated for additional acquisitions and fueling organic growth initiatives.
- Engage financial advisors and investment banks to ensure transparency, regulatory compliance, and the best market pricing.

Outcome:

A strong financial foundation that supports both organic advancements and inorganic growth, ensuring the company remains well-capitalized through each stage of its evolution.





Management System

Since 2015, "Sirma Group Holding" JSC has been a public company and is owned by its shareholders, who exercise full control over the company. The holding, in turn, owns a controlling stake (over 50%) of the capital of its subsidiaries.

The holding, as well as its subsidiaries, has a single-tier management system.

Operational control is delegated to the Board of Directors and, respectively, to the Executive Director.

The Board of Directors of "Sirma Group Holding" JSC as of 31.12.2025 includes the following members:



Georgi Marinov
Chairman



Tsvetan Alexiev



Chavdar Dimitrov



Veselin Kirov



Atanas Kiryakov



Martin Paev



Yordan Nedev



Yavor Djonev



Peyo Popov

The ratio of independent members to the total number of members of the Board of Directors is 33%, and the entire Board composition is male. All members of the Board of Directors are highly qualified and competent to perform the tasks entrusted to them. Their qualifications have been reviewed and approved by the General Meeting of Shareholders when adopting the composition of the Board of Directors.

The mandate of the Board of Directors is set for 2 years from the date of registration. The mandate of the current Board of Directors expires in July 2026.

The Executives of Sirma are each focused on a specific field of corporate life as follows:



Tsvetan Alexiev
CEO and President



Yordan Nedev
CFO



Tsvetan Trenchev
COO



Momchill Zarev
CGO



Rumyana Stoykova
CCO



Tihomir Totev
CTO



Rosen Marinov
CPaO



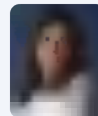
Chavdar Dimitrov
Chief Talent Officer



The verticals of specialization are managed by the **Senior Vice Presidents (SVPs)** of Sirma as follows:



Tsvetomir Doskov
SVP Financial Industry



Galina Koleva
SVP Insurance



Darko Bosancic
SVP Travel & Hospitality



Rosen Marinov
SVP System Integration & BPO



Monika Ilieva
SVP Transport & Logistics



Momchill Zarev
SVP Cross-Industry Services



Dejan Nenov
SVP Healthcare



Nikolay Kondikov
SVP AI & Data Science



Georgi Marinov
SVP Manufacturing



Fabrice Gouttebroze
SVP ISU



Bodies to the Board of Directors

"Sirma Group Holding" JSC has established the following internal committees, which are assigned to manage the relevant activities at an operational level, as well as to propose decisions to the company's Board of Directors. As of 31.12.2025, their composition is:

Investment, Risk and Sustainability Committee composed of:

Yordan Nedev	CHAIRMAN
Tsvetan Alexiev	MEMBER until 20.03.2024
Stanislav Tanushev	MEMBER after 20.03.2024
Georgi Marinov	MEMBER

Remuneration Committee composed of:

Georgi Marinov	CHAIRMAN
Martin Paev	MEMBER
Yordan Nedev	MEMBER

Audit Committee composed of:

Angel Kraychev	CHAIRMAN
Alexander Kolev	MEMBER
Veselin Kirov	MEMBER

Disclosure Committee composed of:

Tsvetan Alexiev	CHAIRMAN
Stanislav Tanushev	MEMBER
Chavdar Dimitrov	MEMBER
Atanas Kiryakov	MEMBER

Partnerships and Certifications

Sirma strongly depends on its strategic upstream partners in order to provide state-of-the-art software and services to its clients.

Partnerships

Strategic partnerships with IBM, Apple, Oracle, Microsoft, Cisco, Lenovo, HPE, Oracle Financial Services (i-Flex), and Temenos

Sirma holds seven ISO certificates to demonstrate its commitment to quality, security and continuous improvement across all business areas. These certifications reflect the company's dedication to internationally recognized standards, ensuring reliable and efficient processes that enhance customer satisfaction. By maintaining multiple ISO standards, Sirma strengthens its competitive advantage, fosters trust with clients and partners, and supports sustainable growth. The certificates cover critical aspects such as quality management, information security, environmental responsibility, and service excellence. This holistic approach helps Sirma consistently deliver high-value solutions while complying with regulatory requirements and adapting to evolving industry best practices.

Sirma has the following ISO certificates:

ISO 9001:2015

Quality management systems

ISO 14001:2015

Environmental management systems

ISO 20000-1:2022

IT service management

ISO 27001:2022

Information security management system

ISO 27018:2019

Information technology. Security methods. Code of good practice for the protection of personal data in public clouds acting as data controllers

ISO 27701:2019

Guidance on the management of personal data in the context of information security management systems (ISMS)

ISO 22301:2019

Business continuity management systems



Management Remuneration

Sirma is a merit-based company. The compensation of the Board of Directors is closely linked to the results achieved – both financial and sustainability, as is described in detail in the Remuneration policy. Annually these are presented to the General shareholders meeting, which sets the annual remuneration (both fixed and variable) of the board members for the respective year.

Intra-company Documentation

The company applies a score of internal documents aimed at regulating the work, ensuring transparency, and preventing abuse. The majority of these documents apply to both the Holding and its subsidiaries. A small part (strictly specific or valid for the public company) concerns only "Sirma Group Holding" JSC.

Each of the internal documents is controlled by a member of the Board of Directors (detailed in the material topics below), who makes annual reviews of the results of the implementation, reports to the Board of Directors, and, if needed, makes necessary changes to the relevant document. A comprehensive list of the intra-company documents is provided in Annex 1.



Collaboration and Recognition

In order to further shared objectives, like digital transformation, the development of digital skills, or the encouragement of sustainable practices, **Sirma** collaborates with other businesses and organizations and takes part in a variety of trade associations. Through these involvements, Sirma actively shapes and influences legislation and policies that impact the company's operations, markets, and the larger IT sector. Sirma's active involvement in clean energy, industry advocacy, technology standards, business development networks, and digital transformation is reflected in these memberships:

Digital Transformation



Vzw Vil



Bulgarian Association of Software Companies (BASSCOM)

Sustainability and Compliance



Green Finance and Energy Center



Association of Bulgarian Investor Relations (ABIRD)



Bulgarian Procurement Association (BPA)

Business Organizations and Chambers



British-Bulgarian Chamber of Commerce



French-Bulgarian Trade and Industry Chamber



Bulgarian-Romanian Chamber of Commerce



American Chamber of Commerce in Bulgaria



Sirma's contribution to the IT industry, sustainability and society has been acknowledged by 30+ awards:



Investor.bg

Stock of the Year

2025



PwC ESG Awards

Special Prize for Outstanding Corporate Sustainability Among Public Companies

2024



B2B Media Awards

Innovation in Talent Education

2024



B2B Media Awards

Excellence in Coaching

2024



Tech Elite Technology & Innovation Awards

Tech Growth Business of the Year

2024



Tech Elite Technology & Innovation Awards

Technology for Good

2024



Innovation in Talent Education

Annual Employer Branding Awards 2023, B2B Media Group (Sirma Solutions)

2023



Top B2B Companies - IT Services, Systems Integration and MS

Clutch Global Award winner 2023 (Sciant)

2023



European Public Sector Award (EPSA)

at National Information System of Medicinal Products (Sirma Solutions)

2023



Most Innovative Company

Bulgarian Chamber of Commerce and Industry Innovations Competition 2018 (Sirma AI)

2018



Start-up of the year

at the Innovation Technology & Sourcing Awards (Sirma Medical Systems)

2017



Innovative Enterprise of the Year

by Applied Research & Communication Fund (Ontotext)

2017



Top 10 Mobile Banking Solution Providers

by Banking CIO Outlook (Sirma Business Consulting)

2017



Best App for Healthy Living and Eating

at Webit Festival Europe 2017 (Sirma Medical Systems / Diabetes:M)

2017



Top ICT Employer

by ICT Media (Sirma Business Consulting)

2016



Best IR Campaign

by the Association of Investor Relations Directors (Sirma Group Holding)

2016



Two Best of show awards at CES 2015

for Energeous (NASDAQ:WATT) embeddedcloud-mobile IoT infrastructure (Panaton)

2015



Loyalty 360 Awards

Galleria Loyalty Club Top 6 Loyalty Programs Worldwide (Sirma Solutions/LOYAX)

2015



Top ICT Employer

by ICT Media (Sirma Business Consulting)

2014



Best Entity Extraction

at BBC III News Hack Awards (Ontotext)

2014



Innovative Enterprise of the Year

by Applied Research & Communication Fund (Ontotext)

2014



Forbes Bulgaria Business Awards 2013

Business Development (Sirma Solutions/mSmartCast)

2013



Forbes Business Awards Bulgaria 2012

Business Development (Sirma Solutions/LOYAX)

2012



Best Mobile Internet Security Award

SIMagine Awards for SIM Toolkit Forbes Business Awards Bulgaria 2012, (Sirma Mobile)

2011



Pithagoras Award

for the most outstanding and successful company in the 6-th EU Framework Program (Ontotext)

2010



Comenius EduMedia

prize for didactic media products – Electronic encyclopedia "History of Bulgaria" (Sirma Media)

2010



Bulgarian Superbrands Award

Sirma Solutions

2008



Bulgarian Superbrands Award

Sirma Solutions

2007



The Best of Show Awards

External Dynamic Routing (EyeBill Interactive)

2005



Bulgarian IT Innovation Award

Vulcan C4I system (Sirma Solutions)

2004



Euroawards New Startup Ventures

EyeBill Multi-Services Billing Platform (EyeBill Interactive)

2002



GTEC (Government in Technology) Product Innovation Award

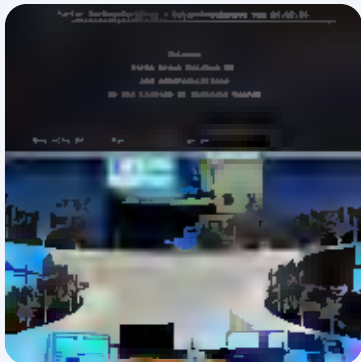
WorkLogic, Canada

2000



In 2023–2024, the Bulgarian Stock Exchange introduced the LSEG ESG rating framework for listed companies, providing an important benchmark for sustainable business practices. The year 2024 was the first reporting period during which companies had the opportunity to be evaluated, and Sirma became the first to successfully complete this assessment, setting a precedent for ESG reporting in the local market and demonstrating its commitment to transparency.

Following the initial pilot, the partnership of Bulgarian Stock Exchange with LSEG was not renewed for year 2025. Sirma is currently pursuing a new ESG rating, aligning this effort with its Frankfurt Stock Exchange listing, reflecting its ongoing dedication to robust sustainability practices and investor transparency.



Sustainability Management

Board of Directors

Incentive schemes and remuneration policies related to sustainability issues have been established for the members of the Board of Directors of Sirma. The [Remuneration Policy for the Board of Directors](#) (adopted by the General Meeting of Shareholders of Sirma) defines among the criteria for payment of variable remuneration to the members of the Board of Directors:

Setting annual targets on sustainability topics and monitoring their implementation;

Imposing high standards of corporate governance;

Integrating corporate social responsibility into the daily management practice of the company;

Stable and sustainable development of the company in economic, social, and environmental aspects;

Compliance with applicable rules and procedures;

Promoting cooperation with stakeholders.

Non-financial criteria for achieved results are determined annually by the Board of Directors of "Sirma Group Holding" JSC, in accordance with the short-term and medium-term development plans of the company. The assessment of the implementation of the non-financial criteria for achieved results is carried out annually, based on an analysis of the results achieved according to the non-financial criteria set for the previous year (text according to Art. 13 of the Remuneration Policy).

Reporting on the remuneration paid out to the members of the Board of Directors is carried out before, and adopted by, the General Meeting of Shareholders annually.

Sustainability Director

In 2024, a new management position was created – Director Sustainability, to focus and coordinate all of Sirma's activities in the area of sustainability and ESG, achieving full compliance with the relevant legal framework, monitoring progress, setting and implementing goals, strategies, and governance. Mr. Stanislav Tanushev was elected as Sirma's first Director of Sustainability.



Stanislav Tanushev

*Investor Relations and Sustainability Director,
Sirma Group Holding JSC*

"Sirma has always maintained sustainable practices. For the most part, these practices have been fully justified by business logic. What is new, however, is the measurement of their results and the disclosure of what has been achieved."



Sustainability Committee

Since 2024 the "Risk, Investment and Sustainability Committee" (Sustainability Committee for brevity in this document) is managing all of Sirma's sustainability efforts, analyzes the impact, risks, and opportunities of sustainability-related topics. The Sustainability Committee reports to the Board of Directors. Its mandate was accordingly published on the company's website in the Governance section. The Sustainability Director is a member of the committee. The Chairman of the Committee remains Sirma's CFO, thus ensuring good coordination between sustainability, risk management, and investments. The third member of the Committee is the Chairman of the Board of Directors of "Sirma Group Holding" JSC, which contributes to the excellent coordination of the activities of the Committee and the Board.

CSRD competence

The volume of new regulatory requirements related to CSRD is significant. In parallel, the reporting requirements are new for the entire European Union, and good examples are lacking. To meet these challenges, the Sustainability Committee has taken steps to ensure the necessary competence, as follows:

The Sustainability Director has successfully completed the Sustainability & ESG Introductory Course of the Exponential Education Institute and

A contract has been concluded with a specialized consulting company to obtain specific knowledge from the Sustainability Committee and assist in achieving compliance with the new regulatory requirements and preparing Sirma's first Sustainability Report.

These measures have yielded the necessary result, culminating in the current Sustainability Report.

Sustainability Ambassadors

The CSRD and ESRS requirements necessitate the involvement of many of Sirma's employees and managers in the process of collecting ESG information, its analysis, and reporting. All ESG initiatives usually involve many of Sirma's team. Thus, the Risk, Investment and Sustainability Committee coined the title "Sustainability Ambassador" to recognize the most important and active participants in Sirma's ESG efforts. Some of the Sustainability Ambassadors are such due to their official positions (e.g., HR Director, Chief Accountant, etc.). Other Ambassadors are such due to their own desire and conviction (e.g., Chief Graphic Designer). In both cases, the Ambassadors contribute both to explaining sustainability topics among employees and to collecting data, setting goals, and monitoring their implementation.

Sustainability Ambassadors include, but are not limited to:

- The Chief Accountants of all Sirma companies
- HR Director
- Marketing Director
- PR Manager
- Head of Sirma Academy
- Chief Graphic Designer
- Employee engagement expert
- Facility Manager





Materiality of the Sustainability Topics

The Materiality Analysis Methodology was developed in 2024, and the first due diligence review of sustainability-related topics for Sirma was conducted in accordance with ESRS requirements. The methodology provides for an annual review of materiality in line with changes in Sirma's priorities and the surrounding environment. The analysis conducted in 2025 reflected the changes that have occurred, which are described below.

Due Diligence Process

Definitions

Through its operations, Sirma impacts the environment and communities across various sustainability issues. At the same time, these sustainability issues have a financial impact on Sirma's operations, presenting both risks and opportunities. Topics that are material in terms of either impacts or financial implications, or both (double materiality), are identified as the company's material environmental, social, and governance (ESG) issues. A sustainability topic is material in terms of impact when it has actual or potential, positive or negative, significant influence on people or the environment in the short, medium, or long term. The impact is considered both from the Company's own

operations and from operations up and down the value chain to the first level (organizations directly affected by, or affecting Sirma). The materiality of the impact is measured by the likelihood of occurrence, the severity, and the scope of the negative impacts—the ability to mitigate the negative consequences.

On the other hand, a sustainability issue is material from a financial perspective if it causes or can reasonably be expected to cause material financial effects on the Company. This is the case when the sustainability topic generates risks or opportunities that have a material impact or can reasonably be expected to have a material impact on Sirma's development, financial condition, financial results, cash flows, access to financing, or cost of capital in the short, medium-term, or long-term. Again, the financial impact, or the risks and opportunities, are not limited to the scope of Sirma's operations but also encompass the Company's interactions throughout its value chain. The materiality of risks and opportunities is assessed based on a combination of the probability of occurrence and the potential magnitude of the financial impact on Sirma.

Due diligence regarding the materiality of impacts, risks, and opportunities arising from or related to Sirma's operations is the process through which actual and potential negative or positive impacts, risks, and opportunities on the environment and people are identified, prevented, mitigated, and accounted for. These include impacts related to the Company's own operations and its upstream and downstream value chain, including through its products or services, as well as through its business relationships.

Stages of the Due Diligence

Sirma's sustainability due diligence and dual materiality assessment process consists of the following main stages:

identification of stakeholders and their engagement;

analysis of all ESG topics according to ESRS and determination of those not applicable to Sirma;

justification of the reasons for excluding certain topics;

definition of the risk assessment methodology;

identification and analysis of applicable topics for Sirma - impact, risks, and opportunities;

assessment of the impact, risks, and opportunities of each applicable topic;

ranking of applicable topics and determination of those with dual materiality;

preparation of a dual materiality matrix;

definition of indicators for measuring material topics;

collection and analysis of data on the indicators of material topics;

verification of "Eligibility" and "Compliance" of Sirma's activities.

The due diligence methodology is documented in detail.

Applicable Topics

Not all topics proposed by the ESRS are applicable to Sirma and its operations. The topics and their subtopics that are applicable to Sirma were identified by the Sustainability Committee. The full list of sustainability topics, subtopics, and sub-subtopics (according to the ESRS) was analyzed by the Investment, Risk, and Sustainability Committee. Each topic was simultaneously assessed to determine whether:

Sirma's activities have a significant impact on the elements of the relevant topic (e.g., carbon emissions, impact on society) and whether

it carries risks and/or opportunities (e.g., operational, financial, reputational) for Sirma's activities.

To assess both the impact and the risks and opportunities, a 5-point scoring system was used, which Sirma employs in its [Risk Management Policy](#).



Stakeholders

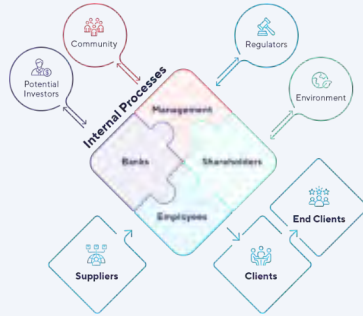
Stakeholders are those individuals and organizations that can influence or be affected by Sirma's operations (marked in blue in the double materiality matrix below) or by its sustainability reports (marked in red in the chart below), both positively and negatively. Some stakeholders are affected by both Sirma's operations and its reports (marked in green in the stakeholder matrix below).

Identification of Stakeholders

Sirma is a B2B company. Its IT products, solutions, and services are sold primarily to other businesses. To do this, Sirma uses its internal capacity as well as external suppliers (e.g., Oracle, Temenos, Microsoft, hardware suppliers, etc.). Sirma's products are sold to its customers. They, in turn, use them to facilitate their own internal processes or to serve their "end users".

The process map to the right outlines the 7 main operational stakeholders in Sirma. However, there are also 4 additional stakeholder groups that are both affected by and have an impact on the company's operations: regulators, the environment, communities, and potential investors.

This comprehensive list of stakeholders was determined after an analysis by Sirma's Investment, Risk, and Sustainability Committee, listed in descending order of their impact:



- **Management** (operations)
- **Shareholders** (operations and reporting)
- **Employees** (operations)
- **Banks and other creditors** (reports)
- **Customers** (operations)
- **Suppliers** (operations)
- **Environment** (operations and reporting)
- **Regulators** (reports)
- **Communities where Sirma operates** (operations)
- **End-users of products and services produced by Sirma** (operations)
- **Potential investors** (reports)

Stakeholder Research and Engagement

Every year, Sirma conducts a survey that covers all stakeholders. In addition to this main survey, the Company also conducts a number of surveys targeting specific stakeholder groups: employee satisfaction surveys, customer satisfaction surveys, and others. The results of these surveys help determine the impact and influence of each group throughout the year.

Sirma's Stakeholder Matrix

Different groups of stakeholders have different influences on Sirma's activities and are themselves influenced in different ways by these activities. The stakeholder survey identifies and enables graphical expression.

The result of the stakeholder survey is as follows:





2024/2025 Dynamic

There has been a significant change compared to the same survey from 2024 in the positioning of “Potential Investors” and “Regulators.” The influence of both groups has grown significantly in 2025.

The main reason for both significant shifts is the dual listing of Sirma’s shares in Frankfurt. The listing of the company’s shares on a significantly larger market (approximately 100 times larger in terms of trading volume compared to the BSE) has led to a sharp increase in the number of potential investors and, consequently, in their importance to Sirma.

The influence of “Regulators” has also grown significantly over Sirma. The company must now comply with the rules and requirements of the German market and, consequently, those of German regulators.

The significant increase in the importance of these two stakeholder groups was anticipated, with preparations for this taking place in the second half of 2025. In late 2025 and early 2026, Sirma launched a massive marketing campaign outside Bulgaria with one primary goal: to familiarize “potential investors” with the Company’s business model, operations, and results. At the same time, all necessary measures were taken so that, at the time of the Company’s stock listing on the Frankfurt Stock Exchange, Sirma was fully compliant with the requirements of that market and its regulators.

Sirma adopts the three-tiered approach established in the Company’s Risk Management Policy, including here in the grouping of various stakeholders. Accordingly, the weight of each stakeholder group is graphically divided into three segments, with only

values above 3.33 (the top third) being considered to represent significant influence or interest.

Engaging and Mapping Stakeholders

The Sustainability Team engages with stakeholders through explanatory content, surveys, interviews, and workshops to collect qualitative and quantitative data on sustainability topics (Sirma’s stakeholder mapping is a prime example of this approach). Stakeholders are often asked to identify all of Sirma’s significant impacts and the risks and opportunities the Group faces related to sustainability.

This information simultaneously:

helps prioritize issues based on their importance, both to the business and to stakeholders

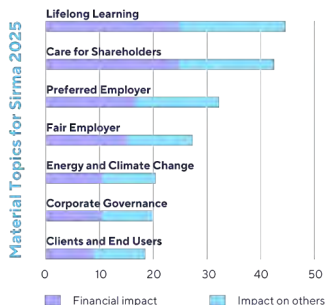
Increases stakeholders’ knowledge and awareness of sustainability issues and the steps Sirma is taking in this direction.

Sustainability Topics that are Material for Sirma

After conducting a thorough review of the sustainability topics, each one is assessed. For each individual topic, the higher value of the assessment of its risks and opportunities is taken into account when determining its financial impact.

A sustainability issue is considered double-material when its score under the scoring system exceeds 15 points (again, the three-tier approach from the “Risk Management Policy” is applied, and the top 33%, or 1/3 of the maximum sum of impacts, is considered). These topics should be reported on, monitored, and, where possible, managed.

The material topics for Sirma in 2025 are seven: **Lifelong Learning, Shareholder Care, Preferred and Fair Employer, Energy and Climate Change, Governance, and Customers**—in that order.



The following double materiality topics for the Group’s sustainable development, ecology, and society were identified:

Social sustainability

- **Lifelong learning**
- **Preferred employer**
- **Fair employer**
- **Client and end-user care**

Environmental sustainability

- **Energy and climate change**

Governance sustainability

- **Shareholder care**
- **Corporate governance, values, and dialogue**

Each material topic consolidates several material sub-topics, which will be discussed below.





Social Impact of Sirma's Activity

"People are the heart and the driving force of Sirma Group. It is their talent, curiosity, and dedication that turn our ambitions into tangible results. When we invest in the knowledge, motivation, and well-being of our teams, we build an environment where innovation happens naturally and success is sustainable. Confident and inspired professionals create value—both for the company and for the clients whom we help every day to digitize, grow, and succeed."

Chavdar Dimitrov
Chief Talent Officer,
Sirma Group Holding JSC



Social Highlights

The most significant topics, and those with the highest scores, are found in the social category. At Sirma Group Holding, social topics encompass the ways in which the company creates value through its people, customers, and the communities in which it operates. These include responsible labor practices, equal opportunities and inclusion, health and safety, skills development, and lifelong learning.

The focus is on building an engaging work environment that supports motivation, well-being, and ethical workplace relationships. The focus is also on the protection of human rights, constructive dialogue with stakeholders, and high-quality customer service. Through investments in knowledge, leadership, and internal academic initiatives, Sirma promotes innovation and sustainable employment.

Social issues are integrated into corporate governance and the sustainability strategy and are viewed as a key factor for long-term competitiveness, investor confidence, and a positive impact on society. This approach aligns with international standards for sustainable development and supports transparency, accountability, and the group's responsible growth within a global, technological, and social context, fostering a sustainable business model.

Main Social KPIs

Social KPIs	2025
Who We Are – the Demographics	
Nationalities within Sirma	9
Average number of employees and managers in 2025	826
Incl. average external employees	62 (8%)
Incl. part time employees	9 (1%)
Incl. managers	14
Incl. average full time employees	755
Split men/women – average for the year	64% / 36%
Share of employees with disabilities	2%
Employees up to 30 years of age (% of total)	25%
Employees age between 30 and 50 (% of total)	52%
Employees age above 50 (% of total)	23%
Average age of the employees of Sirma	34 years
Average tenor in Sirma	7 years
New employees during the year – men	76 (67%)
New employees during the year – women	37 (33%)
Employees who left – men	66 (62%)
Employees who left – women	40 (38%)

Additional indicators are published under the relevant topics below.



The due diligence process places social issues related to sustainability at the forefront of the material topics. Four of the seven material topics are socially oriented. Three of these relate to the employee stakeholder group, and one relates to the customer and end-user stakeholder group. Here is a brief description of each topic and its included subtopics, the identified impacts, risks, and opportunities, the relevant indicators for measuring and monitoring each one, and the actions taken and results achieved during 2025:

Lifelong Learning

Lifelong learning is a key element of Sirma's social strategy and a major factor in the sustainability of its business model within the dynamic environment of the IT sector. The company views the continuous development of employees' knowledge, skills, and competencies as a strategic investment in service quality, innovation, and long-term competitiveness.

In accordance with ESR5 S1 – Own Workforce, Sirma applies a systematic approach to training, encompassing skills planning, individual development, formal and informal training, and adaptation to technological and market changes. Through targeted investments in training and via "Sirma Academy," the company creates a sustainable environment for professional and personal growth. Lifelong learning supports employee engagement, the management of risks associated with skills shortages, and the creation of added value for customers and society.

This topic has always received significant attention (and recognition) at Sirma. In 2025, its importance rose to become a top priority for the Group.

Sirma has been developing AI-based solutions since its inception. However, in 2025, this expertise became critical. The application of artificial intelligence in Sirma's products and services became a competitive advantage for the Group. In this context, engaging the entire Sirma team in the application of artificial intelligence in daily work and innovation became essential. The elements of the "Lifelong Learning" topic were mobilized to develop AI skills among every employee in the company. Moreover—as in previous years—Sirma Academy ensured that this knowledge was disseminated to the public through its courses, webinars, and podcasts. Consequently, the materiality of this topic took on leading importance for the Group, receiving the highest score among material topics in 2025 at 45 points.

The topic has two sub-topics: "Training and Upskilling" and "Sirma Academy," which are closely linked.

Skills management and development at Sirma Group Holding is a planned and systematic process for building professional, technical, and managerial competencies in line with the company's strategic goals.

Training and professional development at Sirma encompass a wide range of formal and informal educational initiatives—internal programs, external courses, certification training, and specialized technical and soft skills. In accordance with ESR5 S1-2, S1-4, and S1-6, the company encourages active dialogue with employees and provides access to training throughout their professional careers. "Sirma Academy" plays a central role, systematizing knowledge, supporting innovation, and contributing to the sustainable development of human capital, including through training for external participants.

Systematic training and upskilling help employees adapt to rapidly evolving technologies and strengthen the group's internal capacity.

Impact, Risks and Opportunities

The topic of "Lifelong Learning" is doubly material to Sirma, with the financial impact on the Company carrying slightly more weight. Ensuring the continuous maintenance and improvement of professional qualifications for all employees, creating opportunities for career development and increasing compensation has a positive impact on Sirma's employees (the impact received 20 points in 2025). At the same time, the financial impact during the year reached the maximum of 25 points. The main reason for this was the widespread adoption of artificial intelligence in IT products and services globally. This significantly increased the risks of employees' knowledge and skills falling behind rapid technological and market advancements, leading to a loss of competitiveness, market share, and customers. At the same time, the AI revolution also created many opportunities to strengthen market position by offering high-value IT services and solutions based specifically on AI and supporting the company's clients in applying artificial intelligence in practice within their operations.

Since the beginning of the year, the topic of "Lifelong Learning" has been developed and enriched with new content, specifically addressing the risks and opportunities dictated by AI adoption through the development of all employees' knowledge base.

Actions taken in 2025

The materiality (impact and influence) of the topic "Lifelong Learning" was underscored not only through analysis but also by the numerous initiatives and achievements in 2025. The actions taken were focused on two areas: the development of the "Internal Training Ecosystem" and "Sirma Academy."





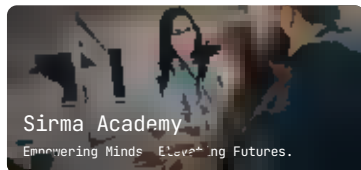
Internal Training Ecosystem

The first step in 2025 regarding the topic of “Lifelong Learning” was ensuring free access for every employee to Sirma’s knowledge library. The internal learning ecosystem “**Sirma Knowledge Center**” was completed and became operational in early 2025. Sirma Knowledge Center is a centralized repository of key organizational information and knowledge. It provides employees with quick access to up-to-date answers to frequently asked questions and a wide range of important documents, while simultaneously reducing risks related to security, compliance, and lack of transparency. By storing all relevant information in one place, duplication and manual document sharing are avoided, ensuring that employees use a single, up-to-date version created by authorized personnel.

The Knowledge Center serves as the foundation for future solutions in artificial intelligence and business process automation. Its content and structure serve as a high-quality **source for training AI models and contextual management**. Its primary objectives are to enhance transparency, foster a shared vision, ensure effective information management, improve operational efficiency, and mitigate risks. The portal covers documents related to vision and brand, strategy and management, risk and compliance, HR and operations, unit-specific assets, and corporate training. Through the Sirma Knowledge Center, artificial intelligence has been applied not only in educational programs but also in the Company’s daily corporate work and training.

Sirma Academy

2025 was a year of growth, modernization, and AI transformation for Sirma Academy. The Academy established itself not only as a training center but also as a strategic tool for developing people, knowledge, and future talent for the group.



Sirma Academy in 2025

Action Category	Actions Taken and Results Achieved in 2025
External training	<p>3,500+ external trainees enrolled in various training courses and programs +185% growth compared to 2024</p> <ul style="list-style-type: none"> • Training conducted in the following areas: Software Engineering, AI, QA, Digital Skills, and specialized corporate programs that we launched both internally and for external partners. • Expanded portfolio with new AI training courses aimed at both beginners and professionals
Internal training	<ul style="list-style-type: none"> • 500+ employee participations in internal training sessions, workshops, and learning initiatives • Topics: AI adoption, development skills, automation • Support for internal transformation and upskilling within the group
Updating training content	<p>Updating and expanding curricula with a focus on artificial intelligence, new technologies, and practical skills, in line with market and business needs. Introducing and developing practical AI programs (AI Foundation, Practical AI) aimed at both IT and non-IT professionals.</p>
Programs with the highest interest in 2025	<ul style="list-style-type: none"> • AI Foundation – Practical AI • AI First Development • HTML & CSS Foundation • SQL Foundation • JavaScript Track • Practical AI Workshops
Accessibility and Flexibility of Training	<ul style="list-style-type: none"> • Use of online, hybrid, and asynchronous formats, including recorded lectures, live streams, webinars, and podcasts. • Investment in our own podcast studio
Practical focus and measurability	<p>Introduction of practical assignments, projects, and exams to assess knowledge retention and improve the effectiveness of training.</p>
Development of internal expert capacity	<p>Establishing and utilizing an internal network of lecturers and experts from the group to share knowledge and best practices.</p>
External outreach and monetization	<p>Offering training, certification programs, and exams to external participants, partners, and clients through “Sirma Academy.”</p> <ul style="list-style-type: none"> • Training sessions conducted for external companies and partners • New focus on AI upskilling for business teams • Customized programs tailored to client needs
Knowledge Dissemination and Reputation	<p>Creating and sharing educational content through social media and digital channels to increase visibility and reputation.</p>



"Lifelong learning" yielded tangible business results in 2025. Artificial intelligence was integrated into both the Company's day-to-day operations and its product portfolio. During the year, the [Sirma AI Enterprise](#) platform was rolled out across all of Sirma's verticals of specialization. This initiative contributed to Sirma's competitiveness and helped improve customer service (see the dedicated section below).

Lifelong Learning KPIs

Sirma monitors and manages the "Lifelong Learning" topic through indicators related to investment in training, access to training, and training outcomes. Throughout the year, all measured indicators showed a measurable increase compared to 2024, reflecting the growing importance of this topic:



Lifelong Learning KPIs	2025
Expenses for training through the year	EUR 177,500 (25% growth)
Employees who attended courses, seminars and symposiums during the year (other than those organized by Sirma Academy), with some visiting more than one	1,322 (30% growth)
Employees who attended Sirma Academy courses during the year	EUR 85,000
External students at Sirma Academy during the year	512 (51% growth)
Views of Sirma Academy's YouTube channel during the year	3,517
Hours of viewing on Sirma Academy's YouTube channel during the year	17,400

Targets for Lifelong Learning in 2026

Strategic Direction	2026 Target	Metric / KPI	Scope
Average training levels	Increase the average number of training hours per employee	≥ 40 hours of training per employee per year	All employees
Training coverage	Ensuring access to structured training	≥ 90% of employees with at least one training session per year	All employees
Sirma Academy	Expanding the role of the internal academy	≥ 60% of all training conducted through Sirma Academy	Group level
Professional certifications	Encouraging certification	≥ 20% increase in employees with valid professional certification	Target roles
Leadership capacity	Systematic development of managers	100% of managers have completed at least one leadership training course	Management
Career development	Link between training and development	≥ 70% of employees have an updated individual development plan	All employees
Comitment to learning	Promoting a culture of learning	≥ 80% positive feedback on training	All participants



Preferred Employer

"In 2025, Sirma organized more than 35 targeted events and initiatives focused on employee engagement. These activities are part of the company's systematic approach to human capital management and aim to foster an inclusive and engaging organizational culture that supports employee well-being, strengthens a sense of belonging, and contributes to the Group's sustainable development and corporate identity."

Ivona Boneva

Employee Engagement Expert



ESRS mapping:

ESRS S1 – Own workforce

The "Preferred Employer" topic reflects Sirma's strategic approach to human capital management and builds upon the principles of legality and fairness established in the "Fair Employer" topic. It is **doubly material** for Sirma with an almost equal score in 2025 between impact on employees and financial relevance for the Company (total score of 32 points).

The topic "Preferred Employer" reflects the long-term strategic commitment of **Sirma Group Holding** to creating a secure, inclusive, motivating, and developmental work environment that attracts, engages, and retains highly qualified professionals in the highly competitive and dynamically evolving IT sector. The company views its employees as a key strategic resource and places their well-being, development, and engagement at the core of the sustainable implementation of its corporate strategy.

In accordance with the requirements of **ESRS S1**, Sirma applies an integrated and systematic approach to managing its workforce, based on clearly defined policies, measurable indicators, and active dialogue with employees. This topic encompasses flexible forms of employment and measures for work-life balance, opportunities for professional and career development, inclusion and equal access to employment, promotion of diversity, as well as the provision of competitive compensation and additional motivational benefits.

In **2025, the "Preferred Employer" topic remains among the top priorities for Sirma**, with its importance growing in the context of increasing competition for talent, employees' heightened expectations regarding flexibility, fulfilling work, and development, as well as accelerated technological transformations in the sector and the rapid adoption of AI.

The company consistently implements policies for remote and hybrid work and provides opportunities for family-related leave, which are integrated into HR processes and systematically tracked. The systematic approach to employee development is implemented through **360-degree evaluations** conducted twice a year and through targeted investments in training and upskilling. In parallel, Sirma implements active policies to prevent discrimination, promote the inclusion of people of different nationalities and people with disabilities, and encourage gender and age diversity.

Through competitive compensation, additional social benefits, bonus schemes, and regular engagement surveys, the "Preferred Employer" topic contributes to high satisfaction, lower turnover risk, and sustainable

human capital development, creating long-term value for employees, customers, and society.

Impact, Risks and Opportunities

The "Preferred Employer" topic has a **significant positive impact** on employees, organizational culture, and the long-term sustainability of **Sirma**. By providing flexible work models, opportunities for professional development, an inclusive work environment, and competitive compensation, Sirma increases employee engagement, satisfaction, and retention. This leads to higher productivity, stronger innovation capacity, and the creation of long-term value for customers and society.

The main **risks** associated with this topic stem from increased competition for IT talent, rapid technological changes, and rising employee expectations regarding flexibility, development, and well-being. Insufficiently effective policies for engagement, development, or inclusion could lead to increased turnover, loss of key experts, and reputational risks for Sirma as an employer.

At the same time, this topic presents **significant opportunities** for the Group. Through the consistent development of its **Employer Value Proposition**, the integration of training and career development (including through Sirma Academy), and an active policy on diversity and equal access to employment, Sirma is strengthening its position as an employer of choice. This supports sustainable growth, improves the ability to attract new talent, and reduces long-term risks associated with skills shortages.



Actions Taken in 2025



Flexible work models and work-life balance measures introduced and consistently implemented

In 2025, Sirma consistently implements policies for remote and hybrid work, as well as family leave options for all employees. These measures are integrated into HR processes and tracked through metrics related to leave usage and working from home, with the aim of providing real support for work-life balance.



A guaranteed systematic approach to professional development through 360° evaluations and training

Sirma conducts 360-degree employee evaluations twice a year, which serve as a basis for identifying development needs and planning career paths. This approach is supported by active investments in training and upskilling, including through internal and external programs.



Active policy on inclusion, diversity, and equal access to employment

Sirma implements anti-discrimination policies and actively promotes the inclusion of employees of different nationalities and people with disabilities. In 2025, the company launched its "onboarding" system, which includes an Onboarding Policy, Onboarding Procedure, mentoring programs, and technical support from the Sirma Knowledge Center.



Maintaining competitive compensation, additional benefits, and high engagement

Sirma uses various measures to further motivate its employees:

- **bonuses** for a job well done
- supplementary **health insurance** for all employees
- various motivational **events** and **meetings**
- free physical and recreational **activities**
- an excellent **work environment**

These additional motivational initiatives ensure high employee engagement with both their individual operational tasks and a sense of ownership regarding Sirma's overall objectives. Employee satisfaction and engagement are tracked through regular internal surveys, which reinforce Sirma's position as a preferred employer.



Results 2025

The actions taken in 2025 under the "Preferred Employer" topic have yielded results. In a survey conducted among all employees at the end of the year, respondents indicated that:

Results for Preferred Employer - employees:	2025
feel that their direct supervisor values their work	81%
feel motivated and satisfied with their work	75%
have good or excellent work-life balance	64%
consider that Sirma offers opportunities for career development	72%
think that their team works well together to achieve common goals	87%





Preferred Employer KPI

Preferred Employer KPIs	2025
Average monthly salary in EUR as of 12/31 for men	EUR 3,619
Average monthly salary in EUR as of 12/31 for women	EUR 3,000
Difference in average monthly salary between men and women	≈19%
Level of average wages in Sirma relative to the <u>IT sector average</u>	+33%
Employees who have undergone attestations at least once a year	100%
Increase in the average monthly salary during the year	27.9%
Number of family/maternity leaves	154
Employees with a right to remote work	92%
Number of days of remote work	9,982
Expenses for employee engagement	EUR 245,000
Employees with additional health insurance	76%

Preferred Employer Goals for 2026

Strategic Direction	2026 Target	Metric / KPI	Scope
Pay disparity	Analyze causes and reduce pay disparity between men and women	Reduction of disparity	All employees
Compensation	Countering inflation	Real wage growth of up to 5%	All employees
Additional incentives	Standardization of additional incentives across all offices	100% employee coverage	Group level
Development	Improvement of career development opportunities	≥ 65% satisfaction	All employees
Work-life balance	Improving work-life balance	≥ 70% satisfaction	All employees



Fair Employer

At Sirma, the management of the social indicators described in **ESRS S1 – Own Workforce** is integrated into the company's efforts to be a "Fair Employer."

The "Fair Employer" topic reflects Sirma's commitment to applying responsible, lawful, and ethical practices in the management of its own workforce, in full compliance with the requirements of European and Bulgarian labor legislation and the applicable ESRS (S1) standards. At the heart of this topic lies the conviction that sustainable business results are directly linked to respect for labor rights, transparent management processes, adequate compensation, and the provision of a healthy and safe work environment.

As a fair employer, Sirma ensures that all employees work under lawful employment or management contracts, with clearly defined working hours, the right to leave, and predictable, timely, and non-discriminatory compensation. The company implements transparent policies and procedures, provides clear job descriptions, and offers systematic feedback through annual performance reviews, thereby supporting employee development and engagement.

Sirma ensures fairness in pay, linked to individual contribution and results, and actively works to reduce gender pay gaps. Particular importance is placed on occupational health and safety through compliance with regulatory requirements and regular preventive medical examinations. Through these policies, processes, and performance indicators, Sirma reinforces its role as a responsible and fair employer.





Impact, Risks, and Opportunities of Fair Employer

The "Fair Employer" topic has a direct and systematic **impact** on legal certainty, internal trust, and the social sustainability of employees at Sirma Group Holding. Strict compliance with labor legislation, the guarantee of labor rights, transparent management practices, and the assurance of health and safety at work create a stable and predictable work environment. This reduces the risk of workplace accidents, disputes, penalties, and internal tensions, while simultaneously fostering a culture of fairness, and accountability. In the long term, this topic contributes to the Group's institutional sustainability and to the trust of employees, regulators, and investors.

The main **risks** related to the "Fair Employer" topic are associated with potential gaps in the implementation or enforcement of labor laws, insufficient transparency in processes, or inconsistent application of policies across different companies and teams. Such weaknesses could lead to workplace accidents, administrative sanctions, financial costs, reputational damage, and a deterioration of the social climate within the organization. This, in turn, would result in reduced competitiveness, loss of customers, and direct financial losses. An additional risk is posed by the growing EU regulatory requirements, including those under the CSRD and ESRs, which demand a higher degree of formalization, traceability, and accountability.

At the same time, this issue presents significant **opportunities** for Sirma. By systematizing policies, clearly defined processes, measurable indicators, and effective control mechanisms, the Group can improve management quality and reduce long-term health,

legal, and operational risks. Sirma's consistent establishment as a fair and law-abiding employer strengthens its corporate reputation, supports access to capital, and creates a stable foundation for sustainable growth.

Actions Taken Under the Fair Employer Initiative in 2025

The actions taken in 2025 under the "Fair Employer" topic are aimed at addressing the identified risks through more effective management, as well as at realizing the identified opportunities through their consistent implementation.



Digitization of labor-law processes through electronic personnel files

In 2025, Sirma actively implements and uses electronic personnel files (via the sHRedy platform), ensuring full compliance with the Labor Code, eIDAS, and personal data protection requirements. The solution enables the lawful signing, storage, and management of employment contracts, addenda, orders, and leave requests, thereby reducing administrative risk and enhancing legal certainty for employees.



Maintenance and implementation of a unified Internal Labor Regulations for the Group

Sirma implements an updated Internal Labor Regulations manual, valid for all companies within the Group, which clearly regulates employment relationships, working hours, leave, disciplinary responsibility, and occupational health and safety. This ensures consistent and non-discriminatory treatment of employees throughout the Group structure.



Ensuring health and safety through mandatory and supplementary health measures and optimal working conditions

In 2025, Sirma continues to provide mandatory preventive medical examinations for its employees, in accordance with legal requirements for healthy and safe working conditions. In parallel with preventive health care, Sirma ensures optimal, comfortable, and safe working conditions, which are verified by external auditing organizations.



Ensuring transparency in labor relations

In 2025 Sirma launched its digital platform, the Sirma Knowledge Center. One of the platform's modules provides employees with access to all internal regulations within the company governing labor relations, secure information handling, whistleblowing, anti-corruption measures, and workplace ethics.

Fair Employer KPIs

The results of the actions taken under the "Fair Employer" initiative were excellent during the year.

Fair Employer KPIs	2025
Number of sick leaves	233
Employees who have undergone an annual health check-up	89%
Number of work accidents during the year	0
Employee complaints during the year	0
Employee satisfaction from working conditions	77%
Employees with electronic working/management contracts	100%
Employees with job descriptions	100%
Employees with social security contracts	100%
Employees with health assurance	100%
Average tenor in Sirma	7 years



Fair Employer Goals for 2026

Maintaining full compliance with labor laws and ensuring that 100% of employees have valid digital employment, civil, and administrative contracts;

Maintaining transparency in labor relations and 100% access to the Group's internal documents, with 100% of employees having job descriptions, health, and social insurance coverage;

Maintaining the highest standards for working conditions and achieving an employee satisfaction rating above 80%

Improving employee coverage of annual health checkups—over 90%

Maintaining or increasing the average tenure of Sirma employees to 7 years



Clients and End Users

ESRS G1 – Business Conduct (Data Ethics, Compliance)

ESRS S4 – Customers and End Users – Digital Inclusion

- **S4-1:** Policies related to data protection and privacy
- **S4-2:** Processes to prevent impacts on consumers
- **S4-4:** Innovations impacting end users

ESRS E1 (indirect link) through digital efficiency effects

The "Clients and End Users" is the most significant topic for Sirma. Customers and end users are the company's *raison d'être*. This is the topic that bridges the company's non-financial sustainability and economic sustainability.

The "Customers and End Users" topics reflects Sirma's responsibility as a B2B provider of IT services and solutions that support customers' operations and have a direct or indirect impact on their end users. In the digital environment in which Sirma operates, trust, security, and the creation of value for customers and society are key elements for the Group's sustainable growth.

The main focus of this topic is on personal data protection and digital security. All of Sirma's solutions are developed and maintained with a view to

preventing unauthorized access, misuse, and cyber risks, in accordance with the principles of ethical business conduct and applicable regulatory standards. Data security is critical to maintaining customer trust, the Company's reputation, and long-term business relationships. Sirma's achievements in personal data protection are attested to by its numerous banking, fintech, and insurance clients, who rely on this security.

A second key focus is digital inclusion. Through its products and services, Sirma helps clients and their end-users gain access to digital services, new technologies, and more efficient solutions, thereby contributing to social and economic inclusion amid rapid technological transformation. A good example of the digital inclusion provided by Sirma is the various payment applications implemented by Sirma, through which customers with no or limited access to financial services gain access to them.

This topic also includes customer-centric innovations, where Sirma develops personalized solutions based on in-depth knowledge of business processes, cutting-edge technologies, and the responsible use of digital capabilities. Through this approach, the Group creates long-term value for clients, end users, and society as a whole. This is Sirma's key competitive advantage: integrating in-depth knowledge of the businesses in the verticals it serves with the latest digital technologies. In 2025, and in the coming years, this has been artificial intelligence. The Sirma.AI Enterprise platform developed by the Company ensures rapid customer adoption of the AI revolution, personalized solutions tailored to their business, and—most importantly—protection of customer data from the AI agents themselves.

Impact, Risks, and Opportunities

As a B2B provider of IT services and solutions, Sirma has a significant indirect impact on a wide range of clients, as well as on their end users. The positive **impact** manifests itself in enhanced digital security, greater business process efficiency, and expanded access to digital services—including for groups and sectors that until recently were not digitally served. Through customer-centric innovations, Sirma contributes to the sustainable development of its clients and to the public good.

The main **risks** are related to growing cyber threats, the risk of misuse of customer data by AI agents, data privacy, and rapid technological obsolescence. A security breach or insufficiently inclusive solutions could lead to a loss of trust, customers, and reputation. This would limit repeat business and reduce Sirma's revenue, profit, and economic sustainability.

At the same time, this topic presents significant **opportunities**. Increased cybersecurity requirements, accelerated digital transformation, the opportunities offered by AI, climate challenges, and constant technological progress are driving demand for secure, innovative, and inclusive IT solutions. This enables Sirma to strengthen its competitiveness, expand its customer base, and create long-term value through responsible innovation.

Measuring impact, mitigating risks, and capitalizing on opportunities is reflected in Sirma's financial results. These are disclosed quarterly, with key highlights outlined in the "Business Model" section above.



Measures Taken in 2025



Enhancing cybersecurity and personal data protection in customer solutions

In 2026, Sirma further integrated the principles of *security-by-design* and *privacy-by-design* into the IT solutions it develops, including AI-based and cloud platforms. This includes enhanced access controls, vulnerability monitoring, and stricter requirements for suppliers along the value chain.



Expanding the portfolio of digital inclusion solutions

Sirma continued to develop and implement digital platforms that provide access to services for end users with limited physical or institutional access—including remote financial, healthcare, and administrative services that support social and economic inclusion.



Enhanced collaboration with clients on adapting to new regulatory requirements

In 2026, Sirma assisted its clients in implementing new European regulations in the areas of data protection, digital resilience, and AI through consulting, architectural solutions, and regulatory-compliant IT systems.



Innovations focused on adding value for end users

The Group implemented new functionalities based on artificial intelligence, automation, and data analytics, aimed at improving the user experience, efficiency, and reliability of the services provided by Sirma's clients.



Training and enhancing the digital maturity of clients and end users

Through consulting initiatives and the Sirma Academy in 2026, Sirma expanded training for clients and users on cybersecurity, the practical use of AI, the adoption of new digital solutions, and the responsible implementation of innovative technologies.



KPIs and Results

KPIs for Clients and end Users

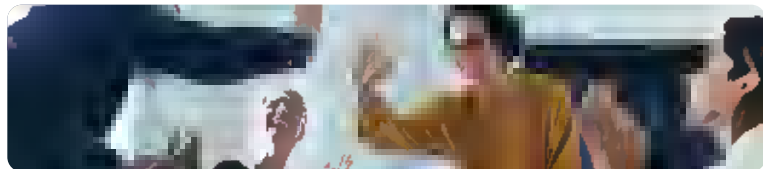
2025

Growth of consolidated sales from previous year

31%

Percentage of recurring revenue during the year

38%





Ecological Footprint of Sirma's Activities

"Sustainability does not have to come at the cost of slowed growth and reduced profits. On the contrary, sustainability reduces both risks and costs for the company. At Sirma, we are fully aware of this"

Tsvetan Trenchev

Chief Operating Officer,
Sirma Group Holding JSC



Main Ecological KPIs

Scope 1

Fuel for own auto-park 2025	Number of cars	Benzine in liters	Diesel in liters
Quantity	11	5,929	6,599
tCO2e*		12.27	16.96

*for conversion into CO2 equivalent the platform of Defra GHG Conversion Factors for Company Reporting <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025>

Scope 2

Ecological KPIs	2025	2025 tCO2e*	Change y/y
Heat consumption	326 MWh	58.57	+7.26
Electricity consumption	1,835 MWh	621.97	-24.72
Total energy in MWh	2,163 MWh	680.54	-17.53
Per employee	2.61 MWh	0.86	-0.12
Generated renewable electricity in MWh **	87 MWh	29.46	4.74

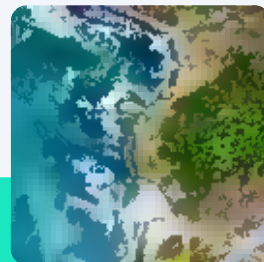
*for conversion into CO2 equivalent the platform of Ember Climate 2025 at <https://ember-energy.org/>

** which is part of the "Electricity consumed", and accordingly the above factor was used, reflecting saved energy tCO2e

2025 Scope 1+ Scope 2 = **tCO2e 710.51**

Other Ecological KPIs:

Ecological KPIs	2025
Water consumption m ³	5,601
Average hardware usage time	6.92 years
Recycled hardware in 2025	3,374 kg





Energy and Climate Change

The topic "Energy and Climate Change" was identified as doubly significant following a thorough analysis (described above). The topic encompasses subtopics from ESR5 E1.

We fully recognize the risks posed by climate change resulting from greenhouse gas emissions. Our business model and strategic priorities are firmly aligned with the transition to a sustainable economy, supporting the objectives of the Paris Agreement to limit global temperature increase to well below 2°C—striving for 1.5°C above pre-industrial levels—and the EU Climate Law (Regulation (EU) 2021/1119), which sets the goal of achieving climate neutrality by 2050.

The review of the topics related to sustainability found that electricity use is of leading importance for Sirma's activities while also having a negative impact on the environment and climate. The **risks** for Sirma's activities related to energy and climate change are significant:

Lack or interruption of electricity supply results in a complete interruption of operations;

Increase in the price of electricity (similar to the price of electricity in Bulgaria in 2022) increases costs and, consequently, the price of the added value by Sirma;

The transition to a low-carbon economy involves financial costs;

Changes in regulations and an increase in the administrative burden lead to higher costs (e.g., costs associated with compliance with the CSRD);

lack of water and the challenges arising from this

The topic of "Energy and Climate Change" presents, in addition to risks, a number of **opportunities** for Sirma:

Potential for new software solutions and services related to sustainability among Sirma's customers;

Production of own renewable energy and reduction of electricity costs;

Attracting investors who, like Sirma, are concerned about protecting nature;

Reduction of costs from reduced energy and water consumption.

Action taken in 2025

The **actions taken** to adapt to these risks, reduce their impact, and realize the opportunities include:



Improving operational sustainability

The construction and equipping of a new transformer station at Sirma's headquarters, which is designed to utilize the energy generated by the photovoltaic system;



Changing business practices

Actively utilizing remote work and increasing the number of virtual meetings to reduce fuel consumption for transportation;



Energy efficiency measures for its offices

The renovation and improvement of **energy efficiency** in 35% of Sirma's building stock;



ISO certification renewal

Renewal of the ISO 14001:2015 certification—Environmental Management Systems



Production of renewable energy

Accounting for 23% of electricity consumption at the Group's headquarters;



Measures to reduce total greenhouse gas emissions and align with global climate goals

Replacing the aging internal combustion engine (ICE) fleet with new hybrid and fully electric vehicles.





Environmental Achievements in 2025

Environmental Data

Throughout the year, Sirma continues to collect data on energy consumption under Scope 1 and Scope 2 from all of its offices. This enables the Group to accurately set its targets for reducing the direct carbon footprint of its operations.

Energy Efficiency

In 2025, a brand-new substation was built and fully equipped at Sirma's central building. In addition to improved energy efficiency, the new equipment ensures optimal operation of the adjacent photovoltaic system. This substation enables the future expansion of the photovoltaic plant, which is scheduled to take place in 2027.

In parallel with the new substation, Sirma launched a program for the renovation and energy efficiency of its workspaces. By 2025, 35% of the workspaces at the group's headquarters had been renovated. The program continues in the coming years.

These steps in energy efficiency provide for a small decrease in the energy required to run operations. Sirma registered a 25 MWh drop in consumed energy during 2025.

The Photovoltaic System

The photovoltaic system, which was installed at the end of 2023 on Sirma's headquarters building, has been operating successfully throughout the year. The system generated 86,5 MWh of renewable energy during the year, thereby meeting 23% of the building's energy needs. This production and use of renewable energy marks a 19% rise y/y for Sirma.

In pursuit of its goal to increase the share of renewable energy in its energy mix, Sirma continued to invest in the photovoltaic project. In 2025, a dedicated substation was built for the system (with an investment of BGN 211,000), which is expected to increase renewable energy production and cover one-third of the building's energy needs.

Fleet Renewal

In 2025, 35% of the group's company fleet was renewed. In the process, old internal combustion engine vehicles were replaced with brand-new hybrid or fully electric vehicles.

Yield



Consumption



Energy Management

MWh





Charging Electric Vehicles

In addition to producing renewable electricity, in 2025 Sirma laid the groundwork for promoting the use of electric vehicles. An increasing number of the company's employees own electric vehicles. In pursuit of both its environmental goals and its commitment to the well-being of its employees, in 2025 Sirma installed a second (following the station installed at the Sirma office in Plovdiv in 2024) charging station for electric vehicles near the Group's central building. Following an analysis of consumption, an expansion of the network of charging stations around Sirma's offices is expected in 2026.



Energy Intensity

Sirma's energy consumption, and consequently its carbon footprint under Scope 1 and 2 decreased slightly in 2025 compared to 2024: by **33 MWh** or **17 tCO₂e**, respectively. This is due to the increased energy efficiency, increased renewable energy production, and the renewed vehicle fleet described above. Although the improvements may seem insignificant at first glance, they become material when we consider the increase in Sirma's workforce (+21%) and the rise in revenue (+31%) during the year. Combining these figures reveals Sirma's true achievements. The energy intensity of the Group's operations has been reduced by nearly 25% to 10.64 tCO₂e per €1,000,000 in revenue, as has the energy required per Sirma employee, which has decreased by nearly 16%, reaching an average of 0.86 tCO₂e per employee in 2025.



Ecological Goals for 2026

Sirma has always taken a responsible approach to nature, energy consumption, and the environmental footprint of its operations. To establish well-founded and scientifically sound decarbonization targets, the groundwork was laid in 2023 and subsequently in 2024 to collect information and measure the Group's environmental footprint under Scopes 1 and 2, as defined in the Greenhouse Gas Protocol. Using this data, Sirma is already successfully taking steps to reduce its environmental impact and will be able to properly determine its next steps for 2026 to mitigate its negative impact on the environment and set specific decarbonization targets.

The Group's direct environmental goals for 2026 are:

- Defining the **relevant Scope 3** categories and laying the groundwork for data collection and related calculations for the Group;
- Complete **replacement of the chiller** (which cools and heats the entire building) at Sirma's central building with a new, highly energy-efficient model. The budget for this project is EUR 150,000;
- Continuing the expansion of **charging stations** for electric vehicles around Sirma's offices;
- Continuing with the **renovation and improvement of energy efficiency** of our own building stock. The budget for this project for the year is EUR 350,000, of which EUR 90,000 is specifically allocated to improving the energy efficiency of the facade of Sirma's headquarters.





Corporate Governance at Sirma

"We uphold the highest ethical standards in our management and operations, ensuring transparency, accountability, and integrity. Our governance framework is built on the principles of responsible business conduct, ensuring that our clients can trust us not only for cutting-edge technology but also for ethical business practices"

Georgi Marinov

Chairman of the Board of Directors,
Sirma Group Holding JSC



Applicable Governance KPIs

Governance KPIs	2025
Revised and updated internal documents	all
Cybersecurity incidents detected in Sirma during the year	0
Received reports of irregularities in Sirma during the year	0
Cases of corrupt practices identified in Sirma during the year	0
Shareholder participation - voting shareholders % of capital	67.23%
Violations and fines found by supervisory authorities	0
Payment of dividends on each share	BGN 0.02
Change in the price of SGH shares in 2025	+49%

The due diligence identified two essential topics that are related to sustainable governance:

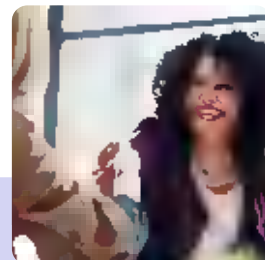
Corporate Governance, Values, Dialogue and Culture

Corporate governance, values and culture at Sirma reflect the framework through which the Company is managed, controlled, motivated and supervised, as well as the way in which the governing bodies

integrate sustainability, ethics, and responsible conduct into the strategy and business model. In accordance with **ESRS G1 – Business Conduct and the disclosures under ESRS 2 (GOV 1 and GOV 2)**, the corporate governance system ensures a clear allocation of roles and responsibilities among the Board of Directors, the specialized committees, and the management team, as well as independent oversight of key management and risk processes.

The governance framework is designed to ensure transparency, accountability, and timely decision-making, while also supporting the integration of environmental, social, and governance (ESG) factors into strategic planning and operational management. Central to this are established ethical standards, the management of conflicts of interest, the prevention of corruption, and the existence of effective mechanisms for reporting and addressing concerns.

Corporate values and a culture of integrity support sustainable risk management, including regulatory, reputational, and cyber risks, and create a foundation of trust among investors and other stakeholders. Through the consistent implementation and updating of management policies and practices, Sirma aims to maintain high standards of corporate governance, consistent with the requirements of the CSRD, and to ensure long-term sustainability and value creation.





Impact, Risks and Opportunities

The corporate governance system has an impact on all stakeholders. **This impact** includes:

integrating sustainability into existing corporate structures;

aligning business strategies with environmental and social goals;

preventing corrupt practices;

ensuring opportunities and protections for whistleblowing;

developing and harmonizing corporate culture and values;

ensuring responsible procurement and payment practices;

ensuring sustainable cybersecurity.

Effective governance frameworks enable Sirma to manage sustainability-related risks, comply with existing regulations, and meet stakeholder expectations, while simultaneously fostering innovation and operational efficiency. By establishing

clear roles, responsibilities, and performance metrics across the organization, sustainable management not only supports ethical practices but also positions the company for sustainability and growth in a rapidly changing global landscape.

The main **risks** associated with this topic include potential violations of ethical standards, insufficient employee awareness of internal rules and policies, as well as ineffective or perfunctory dialogue with stakeholders. Such shortcomings can lead to reputational damage, loss of trust, legal and regulatory consequences, as well as lower employee engagement and satisfaction. **An additional risk** is the increasing regulatory requirement for transparency and accountability (including under the CSRD and those related to dual listing), which requires constant updating of the internal regulatory framework. The due diligence identified the following key risks related to the corporate governance system:

- increasing **regulatory requirements**, which lead to additional costs to meet them;
- **reputational risk** caused by non-compliance, which could lead to a decline in Sirma's sales and revenue;
- risks from **cyberattacks** and breaches in digital security systems, which threaten both the Company's operations and the information of customers and end users;
- **supply chain disruptions**, which threaten or delay the delivery of one of Sirma's core services—system integration, which relies on hardware deliveries.

The topic also reveals significant **opportunities** for Sirma. By establishing a strong management culture based on clear values, ethical conduct, and active dialogue, the company can strengthen its position as a reliable and preferred partner and employer. Structured dialogue with stakeholders enables the timely identification of expectations, risks, and business opportunities, as well as better strategic planning. The development and improvement of the corporate governance system brings significant **opportunities**:

Systematic implementation of the recommendations set forth in internal regulatory documents leads to a harmonized corporate culture;

enhance employee motivation;

Enhanced digital security through the creation, refinement, and implementation of a systematic cyber-defense methodology;

Ensuring consistent supply even during crises by analyzing and optimizing the supply chain;

By implementing responsible data management practices and developing AI-based technological solutions, Sirma creates an opportunity to position itself as a reliable partner and attract investors focused on sustainable and ethical business models;

By actively communicating and demonstrating the digital security measures implemented, including through targeted information campaigns and disclosures to the market, opportunities are created to build investor confidence and improve access to capital.





To mitigate potential risks and maximize opportunities, Sirma has taken the following **actions**:

Impact – Strengthening Integrity, Transparency, and Trust

Sirma has established a **comprehensive framework of policies and internal rules** that define standards for ethical conduct, transparency, and accountability. The company maintains and regularly updates the **Code of Ethical Conduct**, Anti-Corruption Policy, Data Protection Policy, Human Rights Policy, and Whistleblowing Rules. These documents are publicly available and applicable throughout the Group. The single-tier governance system with clearly defined roles for the Board of Directors and the specialized committees (including the Investment, Risk, and Sustainability Committee; the Compensation Committee; and the Disclosure Committee) ensures independent oversight and responsible decision-making.

Risks – Regulatory, Reputational, and Organizational

To mitigate the risk of non-compliance with regulatory requirements and loss of trust, Sirma conducts **regular reviews and updates of its internal regulatory framework**, including in connection with the new CSRD requirements.

Internal audits and independent financial and non-financial controls are conducted; for 2025, the auditor is Grant Thornton Bulgaria.

The risk of low employee awareness and engagement is addressed by ensuring **broad access to internal documents** and through digitized internal communication channels, as described in the Sustainability Report.

Opportunities – trust, engagement, and strategic sustainability

Sirma actively develops a **structured dialogue with stakeholders**, particularly with employees and shareholders. The company maintains an active Investor Relations function, regular disclosures via X3News, Investor.bg, and Infostock, as well as a bilingual IR section on its website.

Webinars and public presentations of financial results are held, offering the opportunity for direct dialogue with management, which strengthens trust and transparency.

Sirma uses internal surveys to assess awareness of policies and the effectiveness of communication, applying the results to improve management practices and transparency.

Achievements in 2025



Corporate Governance

In 2025, Sirma Group Holding AD further strengthens and structures its corporate governance system by clearly defining the roles and responsibilities of the Board of Directors and the specialized committees (including the Risk and Sustainability Committee, the Remuneration Committee, and the Disclosure Committee). This supports compliance with the ESRS requirements under **ESRS 2 GOV-1 (governance and oversight)** and **GOV-2 (conflicts of interest, independence)**, while enhancing accountability and transparency in strategic and management decision-making.



Code of Ethical Conduct and Internal Rules

In 2025, the Company updated and expanded the **Code of Ethical Conduct**, as well as key internal documents: Anti-Corruption Policy, Personal Data Protection Policy, Human Rights Policy, and Whistleblowing Rules (whistleblowing). The documents are available to all group companies and contain references to the new CSRD and ESRS requirements. This achievement directly addresses **ESRS G1 (Business Conduct)** and supports the KPI *“Existence and updating of a Code of Ethical Conduct”*, thereby reinforcing the ethical framework and standard of conduct throughout the organization.



Access to Internal Documents and Policy Updates

All Group employees have digital access to internal management documents via the centralized Sirma Knowledge Center platform. As a result of activities in 2025, **all employees** have active access to internal rules and policies, which meets the KPI *“% of employees with access to the company’s internal documents”*. At the same time, **over 90% of key internal documents** were reviewed and updated during the year, which corresponds to the KPI *“% of internal documents updated during the year”* and supports ESRS responsibilities under GOV-1 and GOV-2.



Dialogue with Investors and Expansion of IR Activities

In 2025, the Company expanded its dialogue with investors and shareholders through regular publications on X3News, Investor.bg, and Infostock, as well as a bilingual IR section on the website, webinars, and public presentations of financial results with the opportunity for direct Q&A with management. Sirma also prepared and published its Sustainability Report, following the recommendations of the CSRD and ESRS, despite the regulatory requirement for this having been removed.

These activities align with **ESRS 2 IRO-1 (Investor Dialogue)** and support the sustainability of the topic *“Corporate Governance, Values, and Dialogue,”* thereby strengthening trust, transparency, and the long-term investment base.



Preparation for dual listing and increased transparency

In 2025, the Board of Directors approved the **Prospectus for the admission of Sirma's shares to trading on a regulated market in Frankfurt**, as part of the dual listing strategy. This achievement requires further enhanced management and disclosure discipline, which contributes to compliance with **ESRS requirements under GOV-1 and GOV-2** and establishes Sirma as a company with high standards of corporate governance and accountability. All necessary steps were taken to ensure transparency and full compliance with the requirements of the Frankfurt Stock Exchange and the German market.



KPIs for Corporate Governance

Corporate Governance, values and dialogue	2025
Existence and updating of a Code of Ethical Conduct	Yes
% of employees with access to the company's internal documents	100%
% of internal documents that were updated during the year	90%
Number of shareholder information events (e.g., Investor Day)	7
Number of disclosures and reports for shareholder information (e.g., Quarterly Activity Report)	29
Whistleblowing on abuse and corruption	0



Goals for 2026

- Review and update all internal documents in light of changes to the regulatory framework and the introduction of the euro in Bulgaria;
- Ensure 100% access to all internal documents for every employee of the company in both Bulgarian and English;
- Election of a new Board of Directors for Sirma Group Holding (the term of the current Board is expiring);
- Dual listing of the company's shares and achieving full compliance with the requirements of the German market;
- Developing a methodology for collecting ESG data from suppliers, partners, and other entities in the value chain;
- Enhancing the company's transparency and accountability by preparing and regularly publishing a Sustainability Report in accordance with applicable disclosure requirements;
- Maintaining zero tolerance for identified cases of corruption, conflicts of interest, and violations of ethical standards;
- Continuing the effective integration of acquired companies by aligning management practices and ESG policies;
- Improving sustainable practices through regular monitoring, evaluation, and updating of internal policies and processes.

Care for Shareholders

Corresponding ESRS standard

ESRS G1 – Business Conduct

Links to ESRS 2 – GOV-1, GOV-2, SBM-3, IRO-1

The first company in the Group—Sirma AI—was established way back in 1992. In 2015, Sirma Group Holding AD—the Group's holding company—went public following a successful initial public offering. Since then, Sirma has had a new and significant group of stakeholders—its shareholders. This was also confirmed by the due diligence conducted in 2024. Thus, the topic of "Shareholder Care" was identified as doubly material for Sirma.

This topic concerns the company's commitment to protecting the rights and interests of shareholders through equal treatment, transparency, and timely disclosure of information. It includes effective corporate governance, open dialogue with investors, access to reliable information, and best practices in strategic decision-making. Shareholder care aims to build trust, a stable investor base, and sustainable long-term growth.

A specific opportunity that arose in 2025 stems from the dual listing of the Company's shares. By expanding access to capital markets, an opportunity is created to increase the liquidity of the shares and boost investor interest, which enhances long-term value for shareholders.



Impact, Risks, and Opportunities

The topic of "Shareholder Care" is of significant importance to the sustainable development and market reputation of Sirma Group Holding. The company ensures a **positive impact** on shareholders through equal treatment, transparency, and the timely disclosure of complete and reliable information, as well as the regular payment of dividends. Active and open dialogue with current and potential investors helps build trust, a stable shareholder structure, and long-term support for the Group's strategic decisions.

The relationship with shareholders is two-way—they also have a strong and direct financial impact on Sirma. It is the shareholders who have been the source in the past, and the potential source in the future, of the investment capital so valuable to the company.

The main **risks** associated with this topic include potential delays or omissions in the disclosure of regulated information, ineffective communication with investors, or limited shareholder participation in General Meetings. Such situations could lead to reputational damage, regulatory sanctions, diminished trust, and reduced interest from capital markets. An additional risk stems from growing regulatory requirements for transparency and accountability, including those under the CSRD.

At the same time, this topic presents significant **opportunities** for Sirma. By maintaining a strong Investor Relations function, a formalized IR policy, and clear communication procedures, the company can enhance shareholder engagement, increase their participation in General Meetings, and strengthen its

market positioning, including among international investors. Timely and proactive communication helps attract long-term investors and reduces capital market risk.

Actions Taken Regarding "Shareholder Care"

Sirma Group Holding has taken consistent steps to protect the rights and interests of shareholders and to strengthen confidence in the capital market, as part of the best practices under ESRS G1.

Timely and Transparent Disclosure of Information

The company follows established procedures for publishing financial statements, regulatory, and supplementary information, minimizing the risk of delays and discrepancies.

Active Investor Relations dialogue

We maintain constant communication with shareholders and investors through the Investor Relations section of the website, public announcements, webinars, and direct contacts.

Equal Treatment of Shareholders

All shareholders have equal access to information, regardless of the size of their equity stake.

Support for Shareholder Participation

Participation in General Shareholders' Meetings is encouraged through timely information and clear procedures.

Formalized IR framework

The company develops and implements an Investor Relations policy and internal rules ensuring consistency, accountability, and compliance with regulatory requirements.



Key performance indicators for this topic

Care for Shareholders	2025
Penalties or complaints regarding a lack of, or delays in communication with investors	0
Percentage of late publications of reports and announcements	0
Percentage of capital participating in GSM	75%+
Formalized Investor Relations policy and procedure	Yes
Penalties and fines imposed by regulators for non-compliance	No
Change in the company's stock price y/y	+49%





2025 Achievements on the Topic of Shareholder Care

Timely and complete disclosure of regulated information without penalties

In 2025, Sirma fulfills its obligations for timely disclosure of information through established platforms and IR channels, without any publicly recorded penalties or complaints from investors regarding delays, confirming the effectiveness of the Investor Relations function.

Successful preparation for dual listing and access to international investors

The company successfully prepared for dual listing on both the Bulgarian Stock Exchange and the **Frankfurt Stock Exchange (Xetra)**, ensuring equal access to information for local and international shareholders. This enhances the transparency and liquidity of the shares.

Active and structured dialogue with investors

Throughout the year, Sirma organized investor webinars and public presentations of financial results with opportunities for direct questions to management, as well as participation in Investor Day, thereby strengthening shareholder trust and engagement. In 2025 the investor section of Sirma's site was updated in order to provide more information, easier navigation, and a contemporary design.

Effective corporate governance and internal control

In 2025, the specialized committees of the Board of Directors (including the Information Disclosure Committee and the Investment, Risk, and Sustainability Committee) are functioning successfully, and the independent external audit supports the reliability of the financial information provided to shareholders.

Consistent shareholder remuneration policy

In accordance with the Dividend Policy and the decisions of the General Meeting, in 2025 Sirma pays a dividend to shareholders for 2024, demonstrating a commitment to creating and sharing long-term value.

2026 Goals for the Shareholder Care Topic

- Achieve and maintain full transparency on both markets where the Company's shares are listed;
- Translate the investor section of the Company's website into German and begin disclosing information in German;
- Maintain timely disclosure of information from the previous year and the absence of complaints and sanctions;
- Increase the represented capital at the General Meeting to 80%;
- Explore a platform for conducting hybrid General Meetings (to hold one in 2027).





Appendix 1

In 2025, Sirma's internal documents are:

System of Corporate Governance	Description	Adoption	Latest review	Application
<u>Articles of Association</u>	The Articles of Association define the rules by which important decisions are made in the Company	2015	10.01.2025	SGH
<u>Decisions of the General Meeting of Shareholders</u>	The decisions of the shareholders are fundamental to the Company's activities	Minimum once per year	10.01.2025	SGH
<u>Dividend Policy</u>	Policy for the distribution of dividends of the public company	29.09.2022		SGH
<u>Rules for the operation of the Board of Directors</u>	Instructions and clarifications on the duties and responsibilities of the members of the Board of Directors	2015		All subsidiaries
<u>Remuneration Policy</u>	Remuneration policy for the members of the Board of Directors	2015	17.09.2024	SGH
<u>Instruction for the obligations and responsibilities of insiders</u>	Instructions and clarifications on duties and responsibilities when accessing and working with inside information.	2015	30.08.2023	All subsidiaries
<u>Program for good corporate governance</u>	A system of rules that protects the interests of shareholders and other stakeholders	2015	2023	All subsidiaries
<u>Accounting Policy</u>	Policy which governs the accounting and control in the companies	2015	30.06.2023	All subsidiaries
<u>Anti-corruption Policy</u>	Policy against all corruption practices and related phenomena		2015	All subsidiaries
<u>Rules for the protection of whistleblowers</u>	Internal Rules for Submitting Signals and Protection of Persons Submitting Signals or Publicly Disclosing Information for Violations – "Whistleblowers"		04.05.2023	All subsidiaries
<u>Ethical code of conduct for employees</u>	The Code establishes the norms for ethical behavior of employees at Sirma Group Holding	2020	15.12.2024	All subsidiaries

System of Corporate Governance	Description	Adoption	Latest review	Application
<u>Data protection Policy</u>	Privacy and data protection policy for the clients of Sirma		2021	All Subsidiaries
<u>Sustainability Policy</u>	Policy for the sustainable function and development of the companies in Sirma	2021	30.09.2024	All Subsidiaries
<u>Human rights policy</u>	Policy, which determines attitude to human rights in Sirma	2023	25.03.2024	All Subsidiaries
<u>CSR in procurement policy</u>	A policy that integrates CSR into Sirma's procurement practice	2023	25.03.2024	All subsidiaries
<u>Waste management policy</u>	The Policy which provides the guidelines for reduction of waste generation by Sirma and a transition to a circular economy.	2022	31.03.2024	All Subsidiaries
<u>Health and safety policy</u>	The Policy for providing a safe and secure working space.	2021	25.03.2024	All subsidiaries
<u>Risk management policy</u>	The policy for identifying, measuring and managing of risks.	2020	25.03.2024	All subsidiaries
<u>Workplace regulation</u>	Defines the rules linked to the working process in Sirma	2015	25.03.2024	All subsidiaries
<u>Policy for information dissemination</u>	Policy for communication with investors and other stakeholders.	2015	25.03.2024	All subsidiaries



Appendix 2

List of ESRS Indicators

ESRS 2 - General Disclosures

ID	Name	Topic / Section in the Report
BP-1_01	Basis for preparation of sustainability statement	Scope
BP-1_02		Scope
BP-1_03	Scope of consolidation of consolidated sustainability statement is same as for financial statements	Scope
BP-1_04	Indication of subsidiary undertakings included in consolidation that are exempted from individual or consolidated sustainability reporting	Scope
BP-2_06	Disclosure of extent to which sustainability statement covers upstream and downstream value chain	Scope; Material Topics presentation
BP-2_17	Description of planned actions to improve accuracy in future of metrics that include value chain data estimated using indirect sources	Scope
BP-2_22	Disclosure of reference to paragraphs of standard or framework applied	Materiality of the Sustainability Topics
BP-2_23	List of sustainability matters assessed to be material	The Business Model of Sirma; Materiality of the Sustainability Topics
BP-2_25		Materiality of the Sustainability Topics Material Topic presentations
BP-2_26	Disclosure of how business model and strategy take account of impacts related to sustainability matters assessed to be material (phase-in)	Materiality of the Sustainability Topics Material Topic presentations
BP-2_27		Materiality of the Sustainability Topics
GOV-1_01	Description of policies related to sustainability matters assessed to be material (phase-in)	The Business Model of Sirma
GOV-1_02		The Business Model of Sirma
GOV-1_05	Description of actions taken to identify, monitor, prevent, mitigate, remediate or bring end to actual or potential adverse impacts related to sustainability matters assessed to be material (phase-in) and result of such actions	The Business Model of Sirma
GOV-1_06		The Business Model of Sirma

ID	Name	Topic / Section in the Report
GOV-1_07	Disclosure of metrics related to sustainability matters assessed to be material (phase-in)	The Business Model of Sirma;
GOV-1_08		The Business Model of Sirma; Corporate Governance
GOV-1_09	Number of executive members	The Business Model of Sirma; Corporate Governance
GOV-1_10		The Business Model of Sirma; Corporate Governance
GOV-1_11	Number of non-executive members	The Business Model of Sirma; Corporate Governance
GOV-1_12		The Business Model of Sirma; Corporate Governance
GOV-1_13	Percentage of members of administrative, management and supervisory bodies by gender and other aspects of diversity	The Business Model of Sirma; Corporate Governance
GOV-1_14		The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
GOV-1_16	Board's gender diversity ratio	The Business Model of Sirma; Corporate Governance
GOV-2_01		The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
GOV-2_02	Percentage of independent board members	The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
GOV-2_03		The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
GOV-3_01	Information about identity of administrative, management and supervisory bodies or individual(s) within body responsible for oversight of impacts, risks and opportunities	



ID	Name	Topic / Section in the Report
GOV-3_02		The Business Model of Sirma; Corporate Governance
GOV-3_03	Disclosure of how body's or individuals within body responsibilities for impacts, risks and opportunities are reflected in undertaking's terms of reference, board mandates and other related policies	The Business Model of Sirma; Corporate Governance
GOV-3_06		The Business Model of Sirma; Corporate Governance
GOV-4_01	Description of management's role in governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities	The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
GOV-5_01		The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
GOV-5_02	Description of how oversight is exercised over management-level position or committee to which management's role is delegated to	Materiality of Sustainability Topics
GOV-5_03		Materiality of the Sustainability Topics
GOV-5_04	Information about reporting lines to administrative, management and supervisory bodies	The Business Model of Sirma; Materiality of the Sustainability Topics
SBM-1_01		The Business Model of Sirma
SBM-1_02	Disclosure of how dedicated controls and procedures are integrated with other internal functions	The Business Model of Sirma
SBM-1_03		Social Impact of Sirma's Activity
SBM-1_04	Disclosure of how administrative, management and supervisory bodies and senior executive management oversee setting of targets related to material impacts, risks and opportunities and how progress towards them is monitored	Social Impact of Sirma's Activity
SBM-1_06		The Business Model of Sirma
SBM-1_23	Information about sustainability-related expertise that bodies either directly possess or can leverage	The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
SBM-1_25		The Business Model of Sirma
SBM-1_26	Disclosure of whether, by whom and how frequently administrative, management and supervisory bodies are informed about material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address them	The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics

ID	Name	Topic / Section in the Report
SBM-1_27		The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
SBM-1_28	Disclosure of how administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing strategy, decisions on major transactions and risk management process	The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
SBM-2_01		The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
SBM-2_02	Disclosure of list of material impacts, risks and opportunities addressed by administrative, management and supervisory bodies or their relevant committees	The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
SBM-2_03		Materiality of Sustainability Topics
SBM-2_04	Incentive schemes and remuneration policies linked to sustainability matters for members of administrative, management and supervisory bodies exist	Corporate Governance; Materiality of Sustainability Topics
SBM-2_05		Corporate Governance; Materiality of Sustainability Topics
SBM-2_06	Description of key characteristics of incentive schemes	Materiality of Sustainability Topics
SBM-2_07		The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
SBM-2_09	Description of specific sustainability-related targets and (or) impacts used to assess performance of members of administrative, management and supervisory bodies	The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
SBM-2_10		Material Topics presentation
SBM-2_11	Description of level in undertaking at which terms of incentive schemes are approved and updated	Materiality of Sustainability Topics
SBM-2_12		The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
SBM-3_01	Disclosure of mapping of information provided in sustainability statement about due diligence process	Materiality of Sustainability Topics
SBM-3_02		Materiality of Sustainability Topics
SBM-3_03	Description of scope, main features and components of risk management and internal control processes and systems in relation to sustainability reporting	Materiality of Sustainability Topics; Material Topics presentation



ID	Name	Topic / Section in the Report
SBM-3_04		Materiality of Sustainability Topics; Material Topics presentation
SBM-3_05	Description of risk assessment approach followed	Materiality of Sustainability Topics; Material Topics presentation
SBM-3_07		Materiality of Sustainability Topics; Material Topics presentation
SBM-3_10	Description of main risks identified and their mitigation strategies	Materiality of Sustainability Topics; Material Topics presentation
IRO-1_01		Materiality of Sustainability Topics
IRO-1_02	Description of how findings of risk assessment and internal controls as regards sustainability reporting process have been integrated into relevant internal functions and processes	Materiality of Sustainability Topics
IRO-1_04		Materiality of Sustainability Topics; Material Topics presentation
IRO-1_06	Description of significant groups of products and (or) services offered	Materiality of Sustainability Topics; Material Topics presentation
IRO-1_09		Materiality of Sustainability Topics
IRO-1_11	Description of significant markets and (or) customer groups served	The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
IRO-1_12		The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
IRO-1_13	Total number of employees (head count)	The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
IRO-1_14		The Business Model of Sirma; Corporate Governance; Materiality of Sustainability Topics
IRO-1_15	Number of employees (head count)	Materiality of Sustainability Topics; Material Topics presentation
IRO-2_02		Materiality of Sustainability Topics; Material Topics presentation
IRO-2_13	Total revenue	Materiality of Sustainability Topics; Material Topics presentation

ESRS 2 MDR

ID	Name	Topic / Section in the Report
MDR-P_01	Description of key contents of policy	The Business Model of Sirma; Corporate Governance
MDR-P_02		The Business Model of Sirma; Corporate Governance
MDR-P_03	Description of scope of policy or of its exclusions	The Business Model of Sirma; Corporate Governance
MDR-P_04		The Business Model of Sirma; Corporate Governance
MDR-P_05	Description of most senior level in organisation that is accountable for implementation of policy	The Business Model of Sirma; Corporate Governance
MDR-P_06		The Business Model of Sirma; Corporate Governance
MDR-A_01	Disclosure of third-party standards or initiatives that are respected through implementation of policy	The Business Model of Sirma; Corporate Governance; Material Topics presentation
MDR-A_02		The Business Model of Sirma; Corporate Governance; Material Topics presentation
MDR-A_04	Description of consideration given to interests of key stakeholders in setting policy	The Business Model of Sirma; Corporate Governance; Material Topics presentation
MDR-M_01		The Business Model of Sirma; Corporate Governance; Material Topics presentation



E1 - Climate Change

ID	Name	Topic / Section in the Report
E1-4_03	Absolute value of total Greenhouse gas emissions reduction	Ecological Footprint of Sirma's Activities
E1-4_06		Ecological Footprint of Sirma's Activities
E1-4_09	Absolute value of Scope 1 Greenhouse gas emissions reduction	Ecological Footprint of Sirma's Activities
E1-4_11		Ecological Footprint of Sirma's Activities
E1-5_05	Absolute value of location-based Scope 2 Greenhouse gas emissions reduction	Ecological Footprint of Sirma's Activities
E1-5_08		Ecological Footprint of Sirma's Activities
E1-5_09	Intensity value of location-based Scope 2 Greenhouse gas emissions reduction	Ecological Footprint of Sirma's Activities
E1-5_17		Ecological Footprint of Sirma's Activities
E1-6_07	Total energy consumption from renewable sources	Ecological Footprint of Sirma's Activities
E1-6_09		Ecological Footprint of Sirma's Activities
E1-6_30	Consumption of self-generated non-fuel renewable energy	Ecological Footprint of Sirma's Activities

S1 - Own Workforce

ID	Name	Topic / Section in the Report
S1.SBM-3_01	All people in its own workforce who can be materially impacted by undertaking are included in scope of disclosure under ESRs 2	Social Impact of Sirma's Activity
S1.SBM-3_02	Description of types of employees and non-employees in its own workforce subject to material impacts	Social Impact of Sirma's Activity
S1.SBM-3_03	Material negative impacts occurrence (own workforce)	Social Impact of Sirma's Activity
S1.SBM-3_04	Description of activities that result in positive impacts and types of employees and non-employees in its own workforce that are positively affected or could be positively affected	Social Impact of Sirma's Activity
S1.SBM-3_05	Description of material risks and opportunities arising from impacts and dependencies on own workforce	Social Impact of Sirma's Activity
S1.MDR-P_01-06	Policies to manage material impacts, risks and opportunities related to its own workforce [see ESRs 2 MDR-P]	Social Impact of Sirma's Activity; Corporate Governance
S1-1_03	Description of relevant human rights policy commitments relevant to own workforce	Social Impact of Sirma's Activity; Corporate Governance

ID	Name	Topic / Section in the Report
S1-1_04	Disclosure of general approach in relation to respect for human rights including labour rights, of people in its own workforce	Social Impact of Sirma's Activity; Corporate Governance
S1-1_05	Disclosure of general approach in relation to engagement with people in its own workforce	Social Impact of Sirma's Activity; Corporate Governance
S1-1_09	Workplace accident prevention policy or management system in place	Social Impact of Sirma's Activity; Corporate Governance
<u>S1.MDR-A_01-12</u>	Action plans and resources to manage its material impacts, risks, and opportunities related to its own workforce [see ESRs 2 - MDR-A]	Social Impact of Sirma's Activity; Corporate Governance
S1-4_01	Description of action taken, planned or underway to prevent or mitigate negative impacts on own workforce	Social Impact of Sirma's Activity; Corporate Governance
S1-4_03	Description of additional initiatives or actions with primary purpose of delivering positive impacts for own workforce	Social Impact of Sirma's Activity; Corporate Governance
S1-4_04	Description of how effectiveness of actions and initiatives in delivering outcomes for own workforce is tracked and assessed	Social Impact of Sirma's Activity; Corporate Governance
S1-4_05	Description of process through which it identifies what action is needed and appropriate in response to particular actual or potential negative impact on own workforce	Social Impact of Sirma's Activity; Corporate Governance
S1-4_06	Description of what action is planned or underway to mitigate material risks arising from impacts and dependencies on own workforce and how effectiveness is tracked	Social Impact of Sirma's Activity; Corporate Governance
S1-4_07	Description of what action is planned or underway to pursue material opportunities in relation to own workforce	Social Impact of Sirma's Activity; Corporate Governance
<u>S1.MDR-T_01-13</u>	Targets set to manage material impacts, risks and opportunities related to own workforce [see ESRs 2 - MDR-T]	Social Impact of Sirma's Activity; Corporate Governance Social Impact of Sirma's Activity; Corporate Governance
S1-6_01	Characteristics of undertaking's employees - number of employees by gender [table]	Social Impact of Sirma's Activity
S1-6_02	Number of employees (head count)	Social Impact of Sirma's Activity
S1-6_07	Characteristics of undertaking's employees - information on employees by contract type and gender [table]	Social Impact of Sirma's Activity
S1-6_09	Number of employees (head count or full-time equivalent)	Social Impact of Sirma's Activity
S1-6_10	Number of employees (head count or full-time equivalent)	Social Impact of Sirma's Activity



ID	Name	Topic / Section in the Report
S1-6_11	Number of employee who have left undertaking	Social Impact of Sirma's Activity
S1-9_01	Gender distribution in number of employees (head count) at top management level	Social Impact of Sirma's Activity
S1-9_02	Gender distribution in percentage of employees at top management level	Social Impact of Sirma's Activity
S1-9_03	Distribution of employees (head count) under 30 years old	Social Impact of Sirma's Activity
S1-9_04	Distribution of employees (head count) between 30 and 50 years old	Social Impact of Sirma's Activity
S1-9_05	Distribution of employees (head count) over 50 years old	Social Impact of Sirma's Activity
S1-10_01	All employees are paid adequate wage, in line with applicable benchmarks	Social Impact of Sirma's Activity
S1-13_01	Training and skills development indicators gender [table]	Social Impact of Sirma's Activity
S1-13_02	Percentage of employees that participated in regular performance and career development reviews	Social Impact of Sirma's Activity
S1-14_01	Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	Social Impact of Sirma's Activity
S1-14_02	Number of fatalities in own workforce as result of work-related injuries and work-related ill health	Social Impact of Sirma's Activity
S1-14_04	Number of recordable work-related accidents for own workforce	Social Impact of Sirma's Activity
S1-14_07	Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees	Social Impact of Sirma's Activity
S1-15_02	Percentage of entitled employees that took family-related leave	Social Impact of Sirma's Activity
S1-16_01	Gender pay gap	Social Impact of Sirma's Activity
S1-17_02	Number of incidents of discrimination	Social Impact of Sirma's Activity
S1-17_03	Number of complaints filed through channels for people in own workforce to raise concerns	Social Impact of Sirma's Activity
S1-17_08	Number of severe human rights issues and incidents connected to own workforce	Social Impact of Sirma's Activity

S4 - Consumers and End-users

ID	Name	Topic / Section in the Report
S4.SBM-3_02	Description of types of consumers and end-users subject to material impacts	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users
S4.SBM-3_03	Type of consumers and end-users subject to material impacts by own operations or through value chain	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users
S4.SBM-3_04	Material negative impacts occurrence (consumers and end-users)	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users
S4.SBM-3_05	Description of activities that result in positive impacts and types of consumers and end-users that are positively affected or could be positively affected	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users
S4.SBM-3_06	Description of material risks and opportunities arising from impacts and dependencies on consumers and end-users	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users
<u>S4.MDR-P_01-06</u>	Policies to manage material impacts, risks and opportunities related to consumers and end-users [see ESRS 2 MDR-P]	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users
S4-1_01	Policies to manage material impacts, risks and opportunities related to affected consumers and end-users, including specific groups or all consumers / end-users	The Business Model of Sirma; Corporate Governance; Social Impact of Sirma's Activity - clients and End Users
<u>S4.MDR-A_01-12</u>	Action plans and resources to manage its material impacts, risks, and opportunities related to consumers and end-users [see ESRS 2 - MDR-A]	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users
S4-4_01	Description of action planned or underway to prevent, mitigate or remediate material negative impacts on consumers and end-users	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users
S4-4_03	Description of additional initiatives or processes with primary purpose of delivering positive impacts for consumers and end-users	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users
S4-4_09	Description of what action is planned or underway to pursue material opportunities in relation to consumers and end-users	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users
S4-4_15	Disclosure of how consumers and end-users play role in decisions regarding design and implementation of programmes or processes	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users



ID	Name	Topic / Section in the Report
S4-4_16	Information about intended or achieved positive outcomes of programmes or processes for consumers and end-users	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users
S4-5_04	Disclosure of intended outcomes to be achieved in lives of consumers and end-users	The Business Model of Sirma; Social Impact of Sirma's Activity - clients and End Users

G1 - Business Conduct

ID	ESRS	Name	Topic / Section in the Report
G1.GOV-1_01	G1	Disclosure of role of administrative, management and supervisory bodies related to business conduct	The Business Model of Sirma; Corporate Governance;
G1.GOV-1_02	G1	Disclosure of expertise of administrative, management and supervisory bodies on business conduct matters	The Business Model of Sirma; Corporate Governance;
<u>G1.MDR-P-01-06</u>	<u>G1</u>	Policies in place to manage its material impacts, risks and opportunities related to business conduct and corporate culture [see ESRS 2 MDR-P]	The Business Model of Sirma; Corporate Governance;
G1-1_01	G1	Description of how the undertaking establishes, develops, promotes and evaluates its corporate culture	The Business Model of Sirma; Corporate Governance; Material Topics presentation
G1-1_05	G1	Disclosure of safeguards for reporting irregularities including whistleblowing protection	The Business Model of Sirma; Corporate Governance;
G1-1_10	G1	Information about policy for training within organisation on business conduct	The Business Model of Sirma; Corporate Governance;
G1-1_12	G1	Entity is subject to legal requirements with regard to protection of whistleblowers	The Business Model of Sirma; Corporate Governance;
G1-3_01	G1	Information about procedures in place to prevent, detect, and address allegations or incidents of corruption or bribery	The Business Model of Sirma; Corporate Governance;
G1-3_03	G1	Information about process to report outcomes to administrative, management and supervisory bodies	The Business Model of Sirma; Corporate Governance;
G1-4_04	G1	Number of confirmed incidents of corruption or bribery	The Business Model of Sirma; Corporate Governance;



DECLARATION

under Art. 100o, para 4, item 3 of POSA

The undersigned:

1. **Tsvetan Borisov Alexiev** in his capacity as CEO of “Sirma Group Holding” JSC, UIC 200101236
2. **Diana Ivanova Petkova** in her capacity as Group Head of Accounting of “Sirma Group Holding” JSC, UIC 200101236

WE DECLARE that to the best of our knowledge:

- a) The annual consolidated financial statements as at 31.12.2025 are prepared in accordance with the applicable accounting standards and reflect honestly and fairly the information about the assets and liabilities, the financial position and the profit / loss of “Sirma Group Holding” AD.
- b) The annual consolidated management report of “Sirma Group Holding” AD as at 31.12.2025 contains a reliable overview of the development and results of the company's operations.

Date: 29.04.2026

Declarers:

**Tsvetan
Borisov
Alexiev** Digitally signed
by Tsvetan
Borisov Alexiev
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Executive Director

**Diana
Ivanova
Petkova** Digitally signed
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Chief Accountant

Grant Thornton OOD

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Sirma Group Holding JSC
 135 Tsarigradsko shosse blvd., Sofia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of Sirma Group Holding JSC and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2025 and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting standards, as adopted by the EU and Bulgarian legislation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independent Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Bulgaria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a consolidated opinion on these matters.

Impairment testing of goodwill	
Note 9 to the consolidated financial statements	
Key audit matter	How this matter was addressed during the audit
<p>As of 31 December 2025, the Group has recognized goodwill from business combinations carried out in previous years in the amount of BGN 39 779 thousand.</p> <p>The management conducts detailed analyses of the results of the activities of units, generating cash inflows to determine whether there are indications of impairment of the value of goodwill.</p> <p>The management is required to apply a significant level of judgment when forming accounting estimates and assumptions regarding the forecasting of expected future cash flows and applicable discount</p>	<p>During our audit, our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> ✓ gaining an understanding of the process applied by the Company's management with respect to identifying impairment indicators related to goodwill as well as the necessity to recognize any impairment losses; ✓ review of the applied accounting policy and the methodology used for performing impairment tests; ✓ assessment of the appropriateness of the key assumptions used, including discount factors,

Impairment testing of goodwill	
Note 9 to the consolidated financial statements	
Key audit matter	How this matter was addressed during the audit
<p>factors, and in calculating the recoverable amount of units generating cash flows for the purposes of the annual impairment testing of goodwill.</p> <p>Due to the importance of goodwill as it consists of 33% of the assets of the Group, as well as the fact that management's judgment is based on significant assumptions and future events with high level of uncertainty, we have identified this issue as a key audit issue for the audit.</p> <p>Notes 4.18.4 Impairment of non-financial assets and 9 Goodwill to the consolidated financial statements present the disclosures regarding the judgments and assumptions of the Company's management regarding goodwill as of 31 December 2025.</p>	<p>expected growth, and other key indicators in the conducted tests, involving our internal experts by comparing with average market indicators of companies with similar activities and with the Company's current financial indicators;</p> <p>✓ assessment of the adequacy of the disclosures in the standalone financial statement, including disclosures of the key assumptions and judgments regarding the recognized goodwill.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the consolidated annual management report, including the consolidated corporate governance statement prepared in accordance with Bulgarian Accountancy Act and other applicable legislation requirements, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS accounting standards, as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Planning and execution of audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a base for forming an opinion to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of audit work fulfilled for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In addition to our responsibilities for reporting under ISAs, described above in section "Information Other than the Consolidated financial statements and Auditor's Report Thereon", regarding annual management report, including the consolidated corporate governance statement we have performed the additional procedures contained in the Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria - Institute of Certified Public Accountants (ICPA). The procedures on the existence, form and contents of the other information have been carried out in order to state whether the other information includes the elements and disclosures in accordance with Chapter Seven of Bulgarian Accountancy Act, Article 100n, paragraph (10) in relation to Article 100n, paragraph (8), subparagraphs (3) and (4) of Bulgarian Public Offering of Securities Act.

Statement Pursuant to Article 37, Paragraph (6) of Bulgarian Accountancy Act

Based on the procedures performed, we describe the outcome of our work:

- (a) the information in the consolidated management report is consistent with the consolidated financial statements for the same reporting period;

- (b) the consolidated management report is prepared in accordance with the applicable legal requirements;
- (c) as a result of the acquired knowledge and understanding of the activities of the Group and the environment in which it operates, we have found no cases of material misrepresentation in the consolidated management report;
- (d) the consolidated corporate governance statement for the financial year contains the required information in accordance with the applicable legal requirements, including Article 100n, paragraph (8) of Bulgarian Public Offering of Securities Act;

Statement Pursuant to Article 100n, Paragraph (10) of Bulgarian Public Offering of Securities Act

Based on the procedures performed and our knowledge of the Group and the environment in which it operates, in our opinion, there is no material misstatement in the description of the main characteristics of the internal control system and of the risk management system of the Group in connection with the financial reporting process and also in the information pursuant to Article 10, paragraph 1, items “c”, “d”, “f”, “h” and “i” of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, which are included in the consolidated corporate governance statement, being a component of the annual consolidated management report.

Reporting on compliance of the electronic format of the consolidated financial statements included in the annual consolidated financial report on the activity under Art. 100n, paragraph 5 of Bulgarian Public Offering of Securities Act with the requirements of ESEF Regulation

We have undertaken a reasonable assurance engagement on the compliance of the electronic format of the consolidated financial statements of Sirma Group Holding JSC for the year ended on 31 December 2025 included in the digital file „8945007AD80FTJTEGH37-20251231-EN-CON.zip“, with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (“ESEF Regulation”). Our opinion is only regarding the electronic format of the consolidated financial statements and does not include the other information contained in the annual consolidated financial report on the activity under art. 100n, para. 5 of Bulgarian Public Offering of Securities Act.

Description of Subject Matter Information and Applicable Criteria

Management has prepared the electronic format of Group’s consolidated financial statements for the year ended 31 December 2025 in accordance with ESEF Regulation in order to comply with Bulgarian Public Offering of Securities Act. The rules for preparation of the consolidated financial statements in this electronic format are described in the ESEF Regulation and in our opinion, they are applicable criteria for providing reasonable assurance.

Responsibilities of Management and Those Charged with Governance

Group’s management is responsible for the application of the requirements of ESEF Regulation in preparing the electronic XHTML format of the consolidated financial statements. These responsibilities include the selection and application of suitable iXBRL tags in accordance with the taxonomy of ESEF Regulation, as well as the application of such internal controls, which are necessary for the preparation of the electronic format of Group’s annual consolidated financial statements, that are free from material misstatements in accordance with ESEF Regulation.

Those charged with governance are responsible for overseeing the process for preparation of Group’s annual consolidated financial statements and application of ESEF Regulation.

Auditor’s Responsibilities

Our responsibility is to obtain reasonable assurance about whether the electronic format of the consolidated financial statements complies with ESEF Regulation. We applied the “Guidance on issuing an opinion on the application of ESEF Regulation by issuers whose securities are admitted to trading on a regulated market in the European Union” and conducted our reasonable assurance engagement in accordance with International

Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised))”. The standard requires that we comply with ethical requirements, design and perform audit procedures to obtain reasonable assurance whether the electronic format of Group’s consolidated financial statements have been prepared in accordance with the applicable criteria described above. The nature, timing and extent of our procedures depend on our professional judgement, including the risk of material misstatements whether due to fraud or error, in applying the requirements of ESEF Regulation.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAE 3000 (Revised) will always detect a material misstatement when it exists.

Quality Control Management Requirements

We apply the requirements of International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality control, including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements for registered auditors in Bulgaria.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independent Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and adopted by BICPA, together with the ethical requirements of Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act.

Summary of the Work Performed

The purpose of the designed and performed procedures was to obtain reasonable assurance whether the electronic format of the consolidated financial statements has been prepared in all material aspects in compliance with the requirements of ESEF Regulation. In performing procedures for assessing compliance with the requirements of ESEF Regulation on electronic (XHTML) format of Group’s consolidated financial statements, we used professional judgement and applied professional scepticism. We also:

- obtained an understanding of the internal control and processes, related to the application of ESEF Regulation in preparing Groups’ consolidated financial statements in XHTML format with iXBRL tags;
- checked that the enclosed XHTML format is valid;
- reconciling the data in the electronic format of the consolidated financial statements with the audited consolidated financial statements;
- evaluated the completeness of Group’s tagging of the consolidated financial statements using the XBRL markup language;
- evaluated the appropriateness of the use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified; and
- evaluated the use of anchoring in relation to the extension elements in accordance with ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on compliance of the electronic format of the consolidated financial statements with ESEF Regulation

Based on the performed procedures, our opinion is that the electronic format of the consolidated financial statements of the Group for the year ended 31 December 2025, contained in the attached electronic file „8945007AD80FTJTEGH37-20251231-EN-CON.zip“, has been prepared in all material respects in accordance with the requirements of the ESEF Regulation.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit and Assurance of Sustainability Reporting Act in relation to Article 10 of Regulation (EC) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Grant Thornton OOD was appointed as statutory auditor of the consolidated financial statements of Sirma Group Holding JSC for the year ended on 31 December 2025 by the general meeting of shareholders, held on 3 June 2025, for a period of one year.
- The audit of the consolidated financial statements of the Group for the year ended on 31 December 2025 has been made for the seventh year.
- In support of our audit opinion, we have provided a description of the most significant assessed risks of material misstatement, a summary of the auditor’s response and where relevant, key observations arising with respect to those risks in the section „Key audit matters“ of this report.

- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in accordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.
- We confirm that we remained independent of the Group in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Group and its controlled undertakings in addition to the statutory audit

Grant Thornton Ltd., Audit firm № 032

Mariy Apostolov
Managing partner

MARIY
GEORGIEV
APOSTOLOV

Digitally signed by
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Emilia Marinova
Registered auditor responsible for the audit

EMILIYA
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29 April 2026
Bulgaria, Sofia, 26, Cherni Vrah Blvd.