

Interim Separate Management Report

of "Sirma Group Holding" AD
for Q1 2026



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1/ Statement by the board of directors of “Sirma Group Holding” AD

The present interim separate management report of „Sirma Group Holding“ AD („SGH“,“The Holding“) covers the period, ending on 31 March 2026 and is prepared in accordance with the provisions of Article 39 of the Accountancy Law and Art. 100o, para. 2 and 5 of the Law on the Public Offering of Securities (POSA), including also the established events, occurring after the end of the reporting period. The structure of this report is in accordance with Annex 9, 10 and Appendix 11 to Article 32a (2) of Ordinance No. 2.

The board of directors of the holding confirms that:

- there were no irregularities in which managers or employees were involved, which may be material to the separate financial statements;
- all material transactions are duly accounted for and reflected in the annual separate financial statements as at 31 March 2026;
- there is no actual or potential breach of laws and (or) other regulatory provisions that would have a material impact on the separate financial statements or could serve as a basis for reporting contingent losses;
- there are no legal or other restrictions on the flow of funds;
- there are no known trends, requests, commitments, events or occasional circumstances for which we could reasonably expect to affect the company as a whole

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

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

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

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

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

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

The reporting period is the financial period ending on 31.03.2026. The report includes the activity of “Sirma Group Holding” AD.

2/ Organization and way of presentation

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

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

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

Sirma Group Holding



History and development of the company

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

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

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

Object of activity

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

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

Capital

The share capital of the company amounts to EUR 30 273 864, divided into 59360 518 dematerialized shares with nominal value of EUR 0,51.

History of shareholder capital

The company was established with a capital of EUR 25 500.

On 15.10.2008 after the adoption of three triple expert appraisals, the share capital is increased from EUR 25 500 to EUR 39 398 764 through non-cash contributions by issuing new 77 202 478 shares as follows:

1) 29 software modules worth EUR 31 393 477;

2) Non-monetary contribution representing real estate amounting to EUR 1994 947:

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

3) Non-cash contribution representing shares of EUR 5 984 840:

A total of 81 690 shares of the total amount of EUR 5 984 840 (73.26 euro 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 EUR 39 398 764 to EUR 37 403 817 was recorded through the cancellation of 3 911 660 shares with a par value of 0,51 euro each. The Company's capital was reduced on the basis of Art. 200, para. 2, in conjunction with Art. 187f, par. 1, item 2n in Bulgarian commercial law.

During the transformation entered in the Commercial Register on 23.10.2014. the Company's capital is reduced to EUR 25 416 950 through the cancellation of 23 503 662 shares. This decrease is a result of the estimated fair value of the shares of "Sirma Group Holding"AD by three independent valuers. The shareholding structure of the Company does not change as a result of the separation until the shareholding structures in the transforming and newly established companies are mirrored.

On 30.10.2015, after a successful initial public offering, the capital was increased to EUR 30 273 864 by issuing 9 523 362 new shares with nominal value per share EUR 0,51 and issue value EUR 0,61.

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

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

3/ Portfolio of "Sirma Group Holding" AD

Subsidiaries of "Sirma Group Holding" AD

Company	Value of the investment at 31.03.2026 (in EUR'000)	Percentage of capital at 31.03.2026	Value of the investment at 31.12.2025 (in EUR'000)	Percentage of capital at 31.12.2025
„Saifort“ EAD	9 134	100%	9 134	100%
Roweb Development	5 812	51%	5 812	51%
Sirma Group Inc.	3 342	100%	3 342	100%
Sirma Tech Ltd	717	100%	717	100%
“Daticum” AD	239	59%	239	59%
"Sirma ICS" AD	143	93%	143	93%
Sciant Shpk.	131	100%	131	100%
“Sirma Medical Systems” AD	34	66%	34	66%
“EngView Systems” AD	26	72,90%	26	72,90%
Sirma Sha Shpk.	13	55%	13	55%
“Sirma ISG” OOD	2	71%	2	71%
Sirma FZE	-	100%	-	100%

INFORMATION ON PARTICIPATION

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

The company has no branches.

4/ Structure of shareholders capital and management authorities

4.1. Distribution of share capital

As of 31.03.2026 the distribution of the share capital of "Sirma Group Holding" AD is as follows:

	31.03.2026	31.12.2025
Share capital (thousand shares)	30 274	30 351
Number of shares (par value of EUR 0,51)	59 360 518	59 360 518
Total number of registered shareholders	1 679	1 452
Including legal entities	43	44
Individuals	1 636	1 408
Number of shares held by legal entities	6 208 786	5 843 665
% Of participation of entities	10,46%	9,84%
Number of shares held by individuals	53 151 732	53 516 853
% Participation of individuals	89,54%	90,16%

Shareholders	Number of shares at 31.03.2026	Number of shares at 31.12.2025	Nominal value (EUR)	Value (EUR)	% Shareholding	% of voting rights*
Georgi Parvanov Marinov	5 461 898	5 461 898	0,51	2 785 568	9,20%	9,48%
Tsvetan Borisov Alexiev	5 025 153	5 025 153	0,51	2 562 828	8,47%	8,73%
Chavdar Velizarov Dimitrov	4 817 386	4 817 386	0,51	2 456 867	8,12%	8,36%
Veselin Antchev Kirov	4 767 386	4 767 386	0,51	2 431 367	8,03%	8,28%
Ognyan Plamenov Chernokozhev	3 741 620	3 741 620	0,51	1 908 226	6,30%	6,50%
Krasimir Nevelinov Bozhkov	2 534 161	2 534 161	0,51	1 292 422	4,27%	4,40%
Rosen Ivanov Marinov	2 307 900	2 307 900	0,51	1 177 029	3,89%	4,01%
Vladimir Ivanov Alexiev	2 177 583	2 177 583	0,51	1 110 567	3,67%	3,78%
Rosen Vasilev Varbanov	2 156 687	2 156 687	0,51	1 099 910	3,63%	3,74%
Emiliana Ilieva Ilieva	2 000 709	2 000 709	0,51	1 020 362	3,37%	3,47%
Deyan Nikolov Nenov	1 804 748	1 814 748	0,51	920 421	3,04%	3,13%
Others	22 565 287	22 555 287	0,51	11 508 296	38,01%	36,11%
Total	59 360 518	59 360 518		30 273 863	100%	100%

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

As of 31.03.2026 „Sirma Group Holding“ AD holds 1 569 069 (31.12.2025 - 1 569 069) repurchased own shares at the total amount of EUR 900 572 (2,97 % of share capital).

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

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

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

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

4.2. Management authorities

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

The Board of Directors as of 31.03.2026 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.

Committees in The Company

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

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

Yordan Nedev – chairman

Stanislav Tanushev – member

Georgi Marinov – member

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

Georgi Marinov – chairman

Martin Paev – member

Yordan Nedev – member

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

Tsvetan Alexiev – chairman

Stanislav Tanushev – member

Chavdar Dimitrov – member

Atanas Kiryakov – member

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

Angel Petrov Kraychev – chairman

Alexander Todorov Kolev – member

Veselin Anchev Kirov – member

Adopted internal documents

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

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

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

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

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

Shareholders	Number of shares at 31.03.2026	Number of shares at 31.12.2025	Nominal Value (EUR)	Value (EUR)	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 461 898	5 461 898	0,51	2 785 568	9,20%	9,48%
Tsvetan Borisov Alexiev	5 025 153	5 025 153	0,51	2 562 828	8,47%	8,73%
Chavdar Velizarov Dimitrov	4 817 386	4 817 386	0,51	2 456 867	8,12%	8,36%
Veselin Anchev Kirov	4 767 386	4 767 386	0,51	2 431 367	8,03%	8,28%
Atanas Kostadinov Kiryakov	1 555 287	1 555 287	0,51	793 196	2,62%	2,70%
Yavor Ludmilov Djonev	1 048 572	1 068 046	0,51	534 772	1,77%	1,82%
Martin Veselinov Paev	126 920	126 920	0,51	64 729	0,21%	0,22%
Yordan Stoyanov Nedev	3 433	3 433	0,51	1 751	0,01%	0,01%
Peyo Vasilev Popov	100	100	0,51	51	0,0002%	0,0002%
Total	22 806 135	22 825 609		11 631 129	38,42%	39,60%

During the period the member of the BD Yavor Lyudmilov Dzhonev sold 19 747 shares of the capital of the company.

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

Pursuant to Article 25, paragraph 5 of the Articles of Association of the Company, each member of the Board of Directors has received a permanent gross remuneration under management contracts in the amount of EUR 69 thousand (31.03.2025- EUR 59 thousand).

Information on the contracts of the members of the administrative, management or supervisory bodies with the company providing benefits for the discontinuation of employment

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

Information on the company's audit committee, including the name of the members of the committee and a mandate summary on which the committee functions

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

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

Statement on whether the company complies or does not to the regime for corporate governance

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

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

5/ “Sirma Group Holding” AD in Q1 2026

The economy of Bulgaria in 2026 and forecast for the future years

According to the forecasts from the EU Commission for the economy of Bulgaria 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 2026.

The general government debt-to-GDP ratio is forecast to increase to 30.6% in 2026 and 32.6% in 2027. 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 2025, constrained by inflation and precautionary savings.

Investment: Public investment is set to increase in 2026, 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.

Inflation and Wages: Inflation remains elevated. 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 2026 are:

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

Development of global economy in 2026 and forecast for the future years

In its Global Economic Prospectus 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.

The expectations among various regions are:

United States: Growth is expected to decline to 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 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.

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" 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.

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 2026 and future forecast

Gartner has revised several times its forecasts for the development of the ICT market. Overall IT spending for 2026 is now expected to 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.

“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. “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. 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. 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 2026 is expected to slow down due to this ‘uncertainty pause,’ but spending in AI-related infrastructure, such as “Data Center Systems”, continues to surge.

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.

Leading Segments

All segments are expected to grow in 2026, accelerating from the previous year. 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 2026 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.

Participation in management and implementation of control on the subsidiary companies

In 2026, as in previous periods, Sirma Group Holding's senior management was actively involved in the management of its subsidiaries. The high expertise and accumulated experience of Sirma Group Holding's managers helped companies to formulate their development goals and strategies as well as their business and financial plans. As a result, the company achieved outstanding successes over the past period. At the same time, taking part in the management of the Group's companies, they monitored the Group's overall objectives, strategies for its development and financial discipline.

- Marketing

In operational terms, the annual marketing strategy and budget of the "Sirma Group Holding" AD for 2026 ensured the planning, development and successful implementation of the following activities:

1. Creating, developing and maintaining a general knowledge of the Sirma brand through a range of activities that help for successful branding and corporate communications – public relations, investor relations, public institutions, company employees, general public. They included internet marketing, online meetings, helping managers and managers with marketing materials for their investment tours, press interviews, TV, radio, participation in specialized and high profile business events.

2. Building a strong employer brand and affirming the company as an attractive place to work, career development and realization of own innovative ideas for creating new software products and solutions, working with the most advanced technologies, entering new market niches. A favorable environment has been created and the innovation process in companies is regularly promoted. Social media is actively used for informal communication with employees, engaging in important causes, informing about upcoming events, company and product news. The team building conducted at the end of the year was traditionally one of the most anticipated events that enabled people from different companies, cities and offices to communicate in an informal environment.

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

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

- **Financial activity -aspects and management of financial resources of Holding and the Group**

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

I. **Goals**

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

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

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

II. **Execution of functions**

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

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

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

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

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

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

III. **Completed tasks**

1. Ensure sufficient financial resources in accordance with the strategy and tasks for the development of “Sirma Group Holding” AD and the subsidiaries during the respective period.
2. Ensuring the most efficient allocation and utilization of the volume of financial resources formed in the main directions of the Group’s activity.
3. Optimization of the monetary turnover - synchronization by size and time of the receipts and payments for the normal service of the undisputed payments.
4. Ensure maximum profit at a given level of risk.
4. Ensuring maximum profit at a given level of risk.

5. Ensure the financial equilibrium of “Sirma Group Holding” AD and the subsidiaries in the process of their development.

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

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

- **Accounting services**

In 2026 “Sirma Group Holding” AD performed the accounting services of its subsidiaries. In addition to regular accounting services, management is presented with various BI reports built as know-how of the Group. The FAD of “Sirma Group Holding” AD achieved monthly reporting of results at individual and group level. The department also managed to manage the companies' relationships with the fiscal and social security systems. The timely introduction of taxes, timely information submission and the preparation of information under the Law for Public Offering of Securities to the Financial Supervision Commission and the BSE have been performed in the period.

- **Legal services**

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

- **Management of risks**

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

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

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

Risk management in the “Sirma Group Holding” includes:

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

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

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

- Planning actions to overcome the risk

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

a) risk avoidance - a strategy that reduces the likelihood of risk occurring;

b) minimizing the risk-taking effect - a strategy that reduces the consequences of the risk;

c) Emergency action plans - a strategy where the organization accepts the risk and is ready to deal with it if it comes to fruition;

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

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

Impact of exclusive factors

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

Summary information relating to the state of which the company depends on patents or licenses, industrial, commercial or financial contracts or from new processing processes

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

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

Information, concerning significant factors, including non-ordinary or rare events or new developments, that expressly render the income of the company's activity

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

Significant changes in net sales or revenues disclosed in the accounts

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

Information on governance, economic, fiscal, monetary policy or political course or factors that significantly have been concerned or may contribute to significant, direct, or consequential activity of the company

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

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

Events and business news in Q1 2026

The following events and business news took place in Q1 2026:

17.12.2025

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

31.03.2026

Disclosure of buyback of shares by Sirma Group Holding AD.

30.03.2026

Sirma Launches FreightGo AI Platform for Logistics.

30.03.2026

Disclosure of information for the purchase of shares by a member of the Board of Directors of Sirma Group Holding AD.

27.03.2026

Publication of the audited individual financial results of Sirma Group Holding AD for 2025.

26.03.2026

Sirma's CFO Yordan Nedev gave an interview for analytic company Edison.

03.03.2026

Disclosure of information of sale of share by a member of the Board of Directors of Sirma Group Holding AD.

03.03.2026

Disclosure of buyback of shares by Sirma Group Holding AD.

02.03.2026

Disclosure of buyback of shares by Sirma Group Holding AD.

27.02.2026

Sirma Achieves IBM Gold Partner Status, Enhancing Enterprise AI, Cloud, and Automation for Clients.

24.02.2026

Sirma Marks Frankfurt Stock Exchange Debut with Opening Bell Ceremony.

21.02.2026

Disclosure of the transfer of the share of Sirma Group Holding AD to the Eurobridge market segment of the Bulgarian Stock Exchange.

20.02.2026

Sirma's CEO Tsvetan Alexiev lectured 60 Master's students at UNWE on AI's evolution – from Sirma's 1992 beginnings to Enterprise AI today.

20.02.2026

Disclosure of acceptance to trade of the shares of Sirma Group Holding on the Frankfurt Stock Exchange.

19.02.2026

Disclosure of the interim consolidated financial results of Sirma Group Holding AD as at 31.12.2025.

18.02.2026

Disclosure of buyback of shares by Sirma Group Holding AD.

16.02.2026

Sirma's CGO Momchill Zarev took the stage at TECHARENA in Stockholm for an insightful discussion on the future of AI in business.

13.02.2026

Disclosure of the change in the ticker symbol of Sirma Group Holding AD on the Bulgarian Stock Exchange – Sofia AD.

12.02.2026

Phil McKennell, UK Sales Director at Sirma Group, spoke at the Port to Port 2 – Innovation Forum in Hull, UK.

02.02.2026

CEO Tsvetan Alexiev and CFO Yordan Nedev made a webinar on the European IT Services Summit.

30.01.2026

Disclosure of the interim individual financial results of Sirma Group Holding AD as at 31.12.2025.

16.01.2026

Sirma Shares Surge Crowned BSE's SOFIX Champion of 2025.

08.01.2026

Disclosure of the date for the Bell Ringing Ceremony at the Frankfurt Stock Exchange.

08.01.2026

Disclosure of buyback of shares by Sirma Group Holding AD.

Main legal information in Q1 2026

Transactions with shares for the period 01.01.2026 – 31.03.2026:

- **Buyback of shares by the company**

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

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

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

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

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.

Litigation for the period 01.01.2026 – 31.03.2026:

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

Other legal information for the period 01.01.2026 – 31.03.2026:

- **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.

6/ Results by segments

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

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

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

31.03.2026	System Integration EUR'000	Hospitality EUR'000	Financial Industry EUR'000	IT Services EUR'000	Strategic development EUR'000	Total EUR'000
Segment revenues	7 074	1 286	2 013	2 095	1 554	14 022
Cost of materials and cost of goods sold	(6 412)	-	-	(9)	(71)	(6 492)
Hired services expenses	(48)	(504)	(379)	(387)	(448)	(1766)
Employee benefits expense	(221)	(742)	(1 261)	(1 316)	(1 382)	(4 922)
Depreciation and amortisation of non-financial assets	(8)	(68)	(89)	(96)	(130)	(391)
Other expenses	(2)	(4)	(2)	(4)	(103)	(115)
Segment operating profit/(loss)	383	(32)	282	283	(580)	336

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.

“System Integration” is part of the IT Services segment. “IT Services”, in turn, remains the leading segment in the ICT industry in the world.

In the USA the President Trump 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 and Iran. 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 Q1 2026. The segment's revenue during the quarter exceeded EUR 7 million.

The segment remains the leading one for Sirma with over half (50,45%) of the revenues for Q1 2026 on separate basis. The profit achieved by the segment for the period was over EUR 380 thousand with a margin of over 5%.

2026 began with several significant transactions, while the implementation of projects started in 2025 continued in parallel. Here are the more significant transactions with payments since the beginning of the year:

- a project for the sale and integration of network equipment for one of the major telecom companies in Bulgaria;
- a project in progress for the integration of cybersecurity equipment in data centers in 4 countries of a major fintech company;
- delivery of desktop computers for a major Bulgarian bank;
- equipment delivery and system integration for a large bank in Romania.

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

The goals set for the System Integration segment for the first quarter were exceeded.

However, market challenges for the segment remain in 2026.

Overcoming the political uncertainty in Bulgaria in early 2026 was overshadowed by the outbreak of war in Iran. This further implies disrupted logistics, reduced demand and price increases. 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	
	31.03.2026	31.03.2025
	EUR'000	EUR'000
Segment revenues	7 074	7 401
Cost of materials and cost of goods sold	(6 412)	(6 454)
Hired services expenses	(48)	(338)
Employee benefits expense	(221)	(186)
Depreciation and amortisation of non-financial assets	(8)	(6)
Other expenses	(2)	(1)
Segment operating result	383	416

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.

The segment has maintained its performance momentum in Q1 2026, with revenues broadly in line with those for Q1 2025, with a marginal year-on-year decline of 1%. Against the 2026 annual plan, Q1 performance reflects the early-stage impact of market headwinds, with several projects coming under pressure as customers respond to the accelerating adoption of artificial intelligence by reducing the number of contracted developers. This is an industry-wide trend being actively monitored and managed.

The segment is in the process of optimising its current business model in response to the evolving market environment. The strategic direction is shifting from a dependency on linear software development engagements towards a more diversified and resilient model, incorporating subscription-based services, managed support, and AI-driven value-added offerings.

A significant strategic milestone was reached in Q1 2026 with the launch of the Vela AI agent, developed on the Sirma AI Platform. Vela represents the segment's first productised AI offering targeted directly at hotel groups and hospitality operators, with a focus on automation, personalisation, and operational optimisation. The segment presented its services and the Vela AI agent at ITB Berlin in Q1 2026, where it maintained a dedicated booth.

The launch at ITB Berlin generated strong market interest and is expected to open a new direct-to-hotel revenue stream, broadening the segment's addressable market beyond its traditional technology provider client base.

In conjunction with the Vela launch, the segment appointed a Sales Director for the EMEA region, strengthening the commercial capability needed to convert pipeline opportunities into signed engagements. Plans are underway to develop additional AI agents on the Sirma AI Platform, further expanding the product portfolio available to hotel groups and hospitality operators.

After eight years in the sector, the segment continues to maintain very good relationships with its clients and to successfully present Sirma's vision for the future and development of the industry.

Outlook and forecasts for 2026:

The pipeline of active engagements is being maintained and we expect revenue stabilisation and a gradual recovery expected throughout 2026, supported by expanding client engagements, and the commercial ramp-up of the Vela AI agent and future AI platform offerings.

The Vela AI agent launch and the broader AI agent development roadmap are expected to generate a new and direct revenue stream towards hotels and hotel groups, reducing concentration on the technology provider segment and improving the resilience of the revenue mix.

The segment will continue to optimise its existing business model, accelerating the transition from purely project-based revenue towards recurring subscriptions, managed support services, and AI-driven solutions built on the Sirma AI Platform.

Participation in the following industry events is planned for 2026:

- HITEC, Indianapolis, USA (Sirma AI for hospitality – AI Agents)
- WTM, London, UK

The segment will continue to actively work towards implementing artificial intelligence in its operations to optimise workflows, as well as to build and develop AI-based solutions for its clients on the Sirma AI Platform, with more agents planned for release in 2026.

Segment financial results:

	31.03.2026	Hospitality
	EUR'000	31.03.2025
		EUR'000
Segment revenues	1 286	1 299
Hired services expenses	(504)	(470)
Employee benefits expense	(742)	(848)
Depreciation and amortisation of non-financial assets	(68)	(73)
Other expenses	(4)	(4)
Segment operating result	(32)	(96)

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. Since February 2026, uncertainty has also been heightened by the war in Iran.

The continuation of this volatility in the second and third quarters of 2026 can only increase the risk of a global recession. The result of this would be a worsening economic climate, increased risks and project delays. This outlines the conjuncture of the IT Services segment.

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 and early 2026 (14%) against the euro and the relatively high sales levels of the segment in the US (18% in the last year).

Despite the difficult economic situation, the segment managed to meet planned sales. The segment’s revenue in Q1 2026 reached EUR 2,1 million. The segment is with nearly 15% of the Holding’s revenue on an separate basis for the period. The growth in revenue in the IT Services segment is accompanied by an increase in their profit margin to over 13%. The segment is contributing by EUR 238 thousand to the Holding's profit on an separate basis for Q1 2026.

In the first quarter of 2026, contracts were signed with new clients, and work continued on contracts concluded in the past. At the beginning of the year, IT service contracts were re-signed with all old clients, and accordingly, work on their projects continues.

The more significant projects that are being worked on and received payment during the quarter are:

IT Services in Europe:

- 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

- Out-of-warranty servicing of the implemented information system of the National Council for Prices and Reimbursement of Medicinal Products (NCPRLP)
- Modernization of the information system of the Bulgarian Patent Office, after-sales support and ensuring continuity of the work process and cybersecurity
- The implementation of the contract for the modernization of the information system for data storage and processing with the Employment Agency in Bulgaria continues

IT Services in the USA:

- we serve old clients of Sirma

Geographically, sales in Q1 2026 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

The financial results of the segment's operations in the first quarter of 2026 are within the planned framework. At the same time, market uncertainty and a potential slowdown in economic growth make us cautious in our expectations for the segment’s development in 2026.

Segment financial results:

	31.03.2026	IT Services
	EUR'000	31.03.2025
		EUR'000
Segment revenues	2 095	1 281
Cost of materials	(9)	(1)
Hired services expenses	(387)	(214)
Employee benefits expense	(1 316)	(938)
Depreciation and amortisation of non-financial assets	(96)	(70)
Other expenses	(4)	(1)
Segment operating result	283	57

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:

- 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.

The first quarter of 2026 marks a solid start to Bulgaria's first year in the Eurozone.

The market remains resilient and the demand for regulatory solutions is high. The macroeconomic environment and rising costs are squeezing margins and profit expectations. The key strategic priority is an accelerated transition to SaaS and AI-based services, as well as adapting all proprietary solutions and opening them up to AI communications. Financial goals are related to increasing and stable recurring revenues. Maintaining prices and margins of the services provided will be a major challenge and risk to achieving the entire financial framework and budget execution of the segment.

At the beginning of 2026, numerous projects were launched, including:

- Adaptations of regulatory reporting systems and respectively modernization of Sirma's RepXpress solution;
- Complete reconfiguration and new integration of ceGate with multiple government data sources;
- Numerous new initiatives and search for change and adaptation of DIGI Bank solutions to work with AI agents.

Product development in Sirma's Financial segment includes:

- Open Banking API Hub and adaptation to PSD3;
- RepXpress (regulatory reporting and Data Warehouse). Upgrading with new reports and changes according to the latest regulatory requirements;
- ceGate (customer assessment and customer data management in a constant adaptation mode).

Products have been updated according to the latest regulatory requirements and market trends.

Strategy and development outlook in 2026

There is a gradual transition from a model based primarily on the provision of resources to a product-expert model with higher added value.

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.

Main goals

- Stabilization and successful completion of ongoing projects.
- Integration of AI software agents into core processes and systems.
- Development of regulatory reporting after the adoption of the euro.
- Optimization of business data and integration platforms.
- Increase in revenues with a planned growth of 15% (up to EUR 10 million).

Strategic Priorities

Financial Sustainability

- Gradual increase in prices for services and products.
- Expansion of SaaS models and subscription revenues.
- Improvement of margin through cost optimization.

Human Capital

- Investments in training and development of competencies in AI, ML and automation.
- Programs for retaining key specialists.
- Promotion of internal specialization and expertise.

Geographic Development

- Retention and expansion of the client base in the Balkans.
- Development of positions in the European Union.
- Expansion of presence in North America.

In conclusion, 2026 offers both significant opportunities and challenges.

The success of the segment will depend on:

- the right positioning in the cloud and AI transformation;
- retention of key specialists;
- operational efficiency;
- adaptation to the new regulatory framework after the introduction of the euro;
- the ability to turn talent shortages into a catalyst for innovation.

Segment financial results:

	Financial Industry	
	31.03.2026	31.03.2025
	EUR'000	EUR'000
Segment revenues	2 013	1 756
Hired services expenses	(379)	(267)
Employee benefits expense	(1 261)	(1 229)
Depreciation and amortisation of non-financial assets	(89)	(92)
Other expenses	(2)	(5)
Segment operating result	282	163

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 Q1 2026, the “Strategic Development” segment generated 11% of total revenues at the separate level for Sirma, and realized a EUR 580 thousand loss, due to its specificity as described above.

Despite the fact that the nature of most of the elements included in the “Strategic Development” segment is of cost centers, some of the sub-segments generate revenues. In Q1 2026, 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 Q1 2026 the leading sales sub-segment is “IT Services for Transport and Logistics” (51% of “Strategic Development” sales). With revenue of almost EUR 800 thousand 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 the beginning of 2026, 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	
	31.03.2026	31.03.2025
	EUR'000	EUR'000
Segment revenues	1 554	1 599
Cost of materials	(71)	(123)
Hired services expenses	(448)	(299)
Employee benefits expense	(1 382)	(1 111)
Depreciation and amortisation of non-financial assets	(130)	(89)
Other expenses	(103)	(101)
Segment operating result	(580)	(124)

7/ Separate financial results

7.1. Revenues

	31.03.2026 EUR '000	31.03.2025 EUR '000	Change (EUR '000)	Change (%)
Revenues from sales	13 974	13 254	720	5,43%
Rental income from investment properties	40	39	1	2,56%
Gain on sale of non-current assets	6	1	5	500%
Financing income	-	7	(7)	(100%)
Other revenues	2	35	(33)	(94,29%)
Total	14 022	13 336	686	5,14%

In Q1 2026 the revenues of “Sirma Group Holding” AD increased by EUR 686 thousand or by 5,14% compared to Q12025.

Revenues in the period include interest and sale of investments, since the business of acquiring businesses and parts of them, as well as the provision of loans and the receipt of deposits is the main activity of the holding company.

Revenues by product line includes:

	31.03.2026 EUR '000	31.03.2025 EUR '000	Change (EUR '000)	Change (%)
Sale of IT equipment	7 030	7 329	(299)	(4,08%)
Software services	5 509	4 746	763	16,08%
Subscriptions	1 141	933	208	22,29%
Support	164	169	(5)	(2,96%)
Administrative and accounting services	57	38	19	50,00%
Hosting	40	26	14	53,85%
System Integration	20	-	20	n/a
Licenses	5	-	5	n/a
Cloud services	-	5	(5)	(100%)
Others	8	8	-	-
Total	13 974	13 254	720	5,43%

7.1.1. Recurring revenue

Recurring revenues are stable, predictable and constant over time. For Q1 2026, the Company reports recurring revenues as follows:

	Amount (EUR '000)	Percentage of revenue
Support and Service	869	6%
IT Systems Development and Management	1 334	9%
Subscriptions and Licenses	88	1%
Long-Term Contract Services	561	4%
Total Recurring Revenue	2 862	20%
Other Revenue	11 166	80%
Total Revenue	14 028	100%

Maintenance and service

Maintenance and service cover activities related to ensuring the normal and continuous operation of software and hardware systems by eliminating problems that arise, applying updates, technical assistance and general operational support. Normally, these are long-term or indefinite contractual relationships with well-valued commitments for both parties.

Building and managing IT systems / Managed services

Managed services are a long-term assignment model, in which the company takes on the overall responsibility for managing, monitoring and optimizing IT services or systems, in order to increase efficiency, security and operational reliability. Due to the nature of insight into the client's problems, these commitments are long-term and easily predictable in terms of value over time.

Subscriptions and licenses

Subscriptions are a form of commercial relationship in which the client pays a predetermined periodic amount (monthly, quarterly, annually, etc.) for access to products or services for the relevant period. Although formally customers have the option to cancel a product or service, statistically this happens in less than 10% of cases, on an annual basis.

Services under long-term contracts

These are services provided on the basis of contractual relationships, which include a clause for automatic continuation of the contract after the initial term, unless one of the parties expresses a desire to terminate. In general, these are contracts for expert development of key software systems at the client's premises, where the replacement of the supplier is an atypical and last resort and is practiced only in exceptional circumstances. This model provides a stable revenue stream and predictability in the reporting periods.

7.2. Expenses

	31.03.2026 EUR '000	31.03.2025 EUR '000	Change (EUR '000,%)
Cost of materials	(62)	(58)	(4)
Change in %			6,90%
Hired services expenses	(1 766)	(1 588)	(178)
Change in %			11,21%
Employee benefits expense	(4 922)	(4 312)	(610)
Change in %			14,15%
Depreciation and amortisation of non-financial assets	(391)	(330)	(61)
Change in %			18,48%
Cost of goods sold and other current assets	(6 430)	(6 520)	90
Change in %			n/a
Other expenses	(115)	(112)	(3)
Change in %			2,68%
Total expenses	(13 686)	(12 920)	(766)
Change in %			5,93%

In Q1 2026 the expenses of "Sirma Group Holding" AD increased by EUR 766 thousand or by 5,93% as compared to Q1 2025.

7.3. Financial income and costs

	31.03.2026 EUR '000	31.03.2025 EUR '000	Change (EUR '000)	Change (%)
Finance income	(36)	(141)	105	(74,47%)
Finance costs	56	-	56	n/a
Finance income / costs (net)	20	(141)	161	n/a

7.4. Assets

The total assets of „Sirma Group Holding“ AD at the end of the Q1 2026 were with EUR 2 877 thousand (5,10%) less than their value at the end of 2025.

Non-current assets	31.03.2026	31.12.2025	Change	Change
	EUR '000	EUR '000	(EUR '000)	(%)
Goodwill	12 582	12 582	-	-
Property, plant and equipment	4 739	4 878	(139)	(2,85%)
Intangible assets	5 963	5 833	130	2,23%
Investments in subsidiaries	16 807	16 807	-	0,00%
Investment property	2 114	2 120	(6)	(0,28%)
Long-term related party receivables	168	155	13	8,39%
Deferred tax assets	404	404	-	-
Total non-current assets	42 777	42 779	(2)	0,005%
Current assets	31.03.2026	31.12.2025	Change	Change
	EUR '000	EUR '000	(EUR '000)	(%)
Inventory	816	1 730	(914)	(52,83%)
Trade receivables	5 868	5 281	587	11,12%
Prepayments and other assets	1 582	1 580	2	0,13%
Related party receivables	2 854	2 769	85	3,07%
Cash	1 342	3 977	(2 635)	(66,26%)
Total current assets	12 462	15 337	(2 875)	(18,75%)

7.5. Equity

	31.03.2026	31.12.2025	Change	Change
	EUR '000	EUR '000	(EUR '000)	(%)
Share Capital	30 274	30 351	(77)	(0,25%)
Purchased own shares	(901)	(802)	(99)	12,34%
Share premium reserve	2 837	2 984	(147)	(4,93%)
Other reserves	1 270	1 270	-	-
Retained earnings	6 858	4 399	2 459	55,90%
Current financial result	356	2 384	(2 028)	(85,07%)
Total equity	40 694	40 586	108	0,27%

In Q1 2026, Equity increased by EUR 108 thousand compared to the end of 2025.

7.6. Liabilities

The amount of the liabilities of “Sirma Group Holding” AD at the end of Q1 2026 were with EUR 2 985 thousand (17,03%) less than their value at the end of 2025.

	31.03.2026	31.12.2025	Change	Change
	EUR '000	EUR '000	(EUR '000)	(%)
Long-term employee obligations	373	373	-	-
Long-term borrowings	3 581	3 752	(171)	(4,56%)
Long-term lease liabilities	304	353	(49)	(13,88%)
Long-term related party payables	1 798	1 798	-	-
Total Non-current liabilities	6 056	6 276	(220)	(3,51%)

	31.12.2025	31.12.2024	Change	Change
	EUR '000	EUR '000	(EUR '000)	(%)
Employee obligations	2 098	2 220	(122)	(5,50%)
Short-term borrowings	1 385	695	690	99,28%
Short-term lease liabilities	328	376	(48)	(12,77%)
Trade and other payables	2 731	5 475	(2 744)	(50,12%)
Contract liabilities	1 533	2 283	(750)	(32,85%)
Short-term related party payables	414	205	209	101,95%
Total Current liabilities	8 489	11 254	(2 765)	(24,57%)

Long-term and short-term bank loans

Recipient of credit	In Bank	Type of loan	Currency	Total amount of credit (EUR)	Outstanding obligation to 31.03.2026 (EUR)	Date of contract	Interest rate	Maturity date	Pledges
Loans for which the Issuer is a debtor									
Sirma Group Holding AD	Unicredit BulBank AD	Overdraft	EUR	5 112 919	-	11.11.2025	The applicable variable interest rate index and additional interest rate for regular debt for the relevant interest period.	14.11.2030	Pledge of receivables
Sirma Group Holding AD	United Bulgarian Bank AD	Bank credit	EUR	4 806 144	4 267 514	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	EUR	4 090 335	698 167	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	EUR	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 31.03.2026 (EUR '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
Saifort	Sirma Medical Systems	204054855	Company under common control	Loan	EUR	1136	20.12.2022	2.80	31.12.2027	No pledges
Saifort	Sirma Group Holding	200101236	Parent company	Deposit	EUR	1 670	18.07.2023	0.10	31.12.2027	No pledges
Saifort	Saifort Israel		Company under common control	Loan	ILS	13	21.02.2024	2.5	31.12.2026	No pledges
Sirma Group Holding	Pirina Technologies	175149906	Company under common control	Loan	EUR	151	10.01.2022	2	31.12.2025	No pledges
Sirma Group Holding	*Individual S.S.		Non related party	Loan	EUR	77	27.06.2017, 20.09.2017	3	31.12.2025	No pledges
Sirma Group Holding	*Individual S.S.		Non related party	Loan	EUR	67	31.05.2022	2	31.12.2025	No pledges
Sirma Group Holding	*Individual		Key management personnel	Loan	EUR	17	26.01.2026	2.3	31.01.2028	No pledges
EngView Systems	EngView Systems GmbH		Subsidiary	Loan	EUR	53	05.12.2022	3	31.12.2028	No pledges
Sirma ICS	Sirma Group Holding	200101236	Parent company	Deposit	EUR	128	04.2.2025	0.10	04.02.2027	No pledges
Sirma Group Holding	Sirma FZE		Subsidiary	Loan	USD	108	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 31.03.2026 (EUR '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
Sirma Medical Systems	Saifort	200356710	Company under common control	Loan	EUR	1136	20.12.2022	2.80	31.12.2027	No pledges
Sirma Group Inc	Worklogic Canada		Non related company	Loan	USD	42	31.07.2017	0.01	31.12.2026	No pledges
Sirma Group Holding	Saifort	200356710	Subsidiary	Deposit	EUR	1 670	18.07.2023	0.1	31.12.2027	No pledges
Sirma Group Holding	Sirma ICS	203940550	Subsidiary	Deposit	EUR	128	04.2.2025	0.10	04.02.2027	No pledges
Sirma FZE	Sirma Group Holding		Parent company	Loan	USD	108	09.12.2025	2.50	09.12.2028	No pledges

* The Issuer has disclosed only the initials of the individuals to whom it has granted loans, in compliance with the provisions of the Personal Data Protection Act and the General Regulation on Data Protection (Regulation (EU) 2016/679, GDPR).

7.7. Cash flow

	31.03.2026 EUR '000	31.03.2025 EUR '000	Change (EUR '000)	Change %
Net cash flow from operating activities	(1 892)	(3 683)	1 791	(48,63%)
Net cash flow from investing activities	(914)	(539)	(375)	69,57%
Net cash flow from financing activities	155	467	(312)	(66,81%)
Net change in cash	(2 651)	(3 755)	1 104	(29,40%)
Exchange (loss)/gains on cash	16	(50)	66	n/a
Cash at the beginning of the year	3 977	5 089	(1 112)	(21,85%)
Cash at the end of the year	1 342	1 284	58	4,53%

The Company has no liquidity problems and operates with the available resources.

7.8. Indicators and coefficients

Over the past financial period, the company has realized the following financial results:

Indicators EUR '000	31.03.2026	31.03.2025/ 31.12.2025	Change	
			(Abs.)	(%)
Revenue from operating activities	14 022	13 336	686	5,14%
Total operating costs	(13 686)	(12 920)	(766)	5,93%
Operating profit	336	416	(80)	(19,23%)
Financial income	56	-	56	n/a
Financial costs	(36)	(141)	105	(74,47%)
Profit before tax expense	356	275	81	29,45%
Net profit	356	275	81	29,45%
Dividend	-	(593)	593	(100%)
Cash	1 342	3 977	(2 635)	(66,26%)
Short-term assets	12 462	15 337	(2 875)	(18,75%)
Total amount of assets	55 239	58 116	(2 877)	(4,95%)
Average arithmetic total asset value for 5 quarters	55 085	55 097	(11)	(0,02%)
Current liabilities	8 489	11 254	(2 765)	(24,57%)
Debt	5 598	5 176	422	8,15%
Liabilities (borrowed funds)	14 545	17 530	(2 985)	(17,03%)
Equity	40 694	40 586	108	0,27%
Equity averaged for 5 quarters	39 543	39 113	430	1,10%
Turnover capital	3 973	4 083	(110)	(2,69%)
Number of shares at the end of the period (in thousands)	59 361	59 361	-	-
Interest expenses	(28)	(20)	(8)	40,00%
Weighted average share price of last trading session	0,945	0,562	0,3830	68,15%
Last share price of last trading session	0,930	0,557	0,3730	66,97%

Indicators	31.03.2026	31.03.2025/ 31.12.2025	Change	
			(Abs.)	(%)
EBITDA	775	625	150	24,00%
DEPRECIATION	(391)	(330)	(61)	18,48%
EBIT	384	295	89	30,17%
FIN/INVEST NET	20	(141)	161	(114,18%)
EBT	356	275	81	29,45%
ROA	0,0064	0,0047	0,00171	36,20%
ROA(BSE)	0,0065	0,0050	0,00147	29,48%
Debt/EBITDA Ratio	7,2232	8,2816	(1,05837)	(12,78%)
Quick Ratio	1,4680	1,3628	0,1052	7,72%
ROE (BSE)	0,0090	0,0070	0,0020	28,05%
ROE	0,0090	0,0070	0,0020	28,05%
Debt/Equity Ratio (BSE)	0,3574	0,4319	(0,0745)	(17,25%)
Profitability ratios				
Operating profit margin	0,0240	0,0312	(0,0072)	(23,18%)
Net profit margin	0,0254	0,0206	0,0048	23,12%
Coefficients for assets and liquidity				
Assets turnover ratio	0,2556	0,2420	0,0135	5,59%
Assets turnover ratio (BSE)	0,2546	0,2420	0,0125	5,17%
Operating cycle	3,5293	3,2662	0,2631	8,06%
Current ratio	1,4680	1,3628	0,1052	7,72%
Quick ratio	1,4680	1,3628	0,1052	7,72%
Cash ratio	0,1581	0,3534	(0,1953)	(55,27%)
Odds per share				
P/S ratio	4,0006	2,5016	1,4990	59,92%
P/E ratio	157,5734	121,3123	36,2611	29,89%
P/B ratio	1,3785	0,8220	0,5565	67,70%
Revenue per share	0,2362	0,2247	0,0116	5,14%
Earnings per share	0,0060	0,0046	0,0014	29,45%
Book value of equity per share	0,6661	0,6589	0,0072	1,10%
Development Ratios				
Revenue growth	0,0514	12,7061	(12,6546)	(99,60%)
Net profit growth	0,2945	(0,4353)	0,7299	n/a
Assets growth	(0,0495)	0,0510	(0,1005)	n/a
Leverage Ratios				
Debt/total assets	0,1016	0,0939	0,0077	8,18%
Debt/capital	0,1240	0,1169	0,0071	6,11%
Debt/equity	0,1416	0,1323	0,0092	6,98%
Total assets/equity	1,3930	1,4087	(0,0156)	(1,11%)
Market value of the company	55 206	33 064	22 142	66,97%

7.9 Related party transactions

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

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

Transactions with subsidiaries

	31.03.2026 EUR'000	31.03.2025 EUR'000
Purchases of goods and services		
Purchases of services:		
- Software services	(511)	(230)
- Internet	(7)	(6)
- Consulting services	(52)	(4)
- Subscriptions	(11)	(13)
- Hosting	(10)	(11)
- Intermediary services	-	(15)
- Software license rental	(5)	-
Sales of goods and services		
Sales of services		
- Administrative, accounting services	55	45
- Rent	20	20
- Software services	567	424
- Subscriptions	1	3
Sales of goods:		
- Consumables	1	3
- Computer components	21	80
- Received deposits	-	128
- Interest on received deposits	-	(1)
- Interest on loans given	1	-

Transactions with other related parties

	31.03.2026 EUR'000	31.03.2025 EUR'000
Sale of services		
- Administrative, accounting services	2	-
- Software services	2	-
Sale of goods		
- Consumables	2	-

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:

	31.03.2026 EUR'000	31.03.2025 EUR'000
Salaries including bonuses	(69)	(59)
Social security costs	(1)	(1)
Total remunerations	(70)	(60)

8/ Personnel and ecology

8.1 Ecology

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

8.2 Personnel

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

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

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

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

“Sirma Group Holding” AD	31.03.2026	31.03.2025
	Number of employees	Number of employees
Labour contract	429	429
Contract for management and control	9	9
Total	438	438

DESCRIPTION OF ALL AGREEMENTS FOR THE PARTICIPATION OF THE EMPLOYEES IN THE CAPITAL OF THE COMPANY.

There are no arrangements for the participation of employees in the capital of the Company.

9/ RISK FACTORS

Risk management objectives and policies

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

The Company's risk management is coordinated at its headquarters, in close co-operation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The interim separate financial statements do not include all the information regarding risk management and disclosures required in the preparation of annual financial statements and should be read in conjunction with the Company's annual financial statements as of 31 December 2025. The Company's objectives and policies for managing capital, credit and liquidity risk are described in the most recent annual financial statements. There have been no changes to the risk management policy regarding financial instruments during the period.

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

9.1 Market risk analysis

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

As the economic consequences of the war in Ukraine and Iran unfolded, strong inflationary pressures arose and annual inflation for the period March 2026 compared to March 2025, as measured by National Statistical Institute with the Harmonized Index of Consumer Prices (HICP) is 2,8%.

9.1.1. Foreign currency risk

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

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

9.1.2 Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates.

At 31 March 2026, the Company is not exposed to a significant risk of changes in market interest rates on the company's investment loan since the interest rate has no change during the year. All other financial assets and liabilities of the Company have fixed interest rates.

9.2 Credit risk

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

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

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

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a small number of customers in single industry and geographical area. 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.

The carrying amounts disclosed above are the Company's maximum possible credit risk exposure in relation to these instruments.

9.3 Liquidity risk

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

The Company's objective is to maintain cash to meet its liquidity requirements for 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

Financial assets used for managing liquidity risk

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

10/ Information about events and indicators with increased nature of the company, having a significant effect on their activity and their income and expenditure; Evaluation of their impact on results in the current period.

There are no events and indicators with an unusual nature for the company that have a significant impact on its operations and its realized revenues and expenses; assessing their impact on results during the current period.

11/ Information about out of the balance sheet transactions - nature and business purpose, financial impact of the transaction on activity if the risks and benefits of these transactions are essential for the company and the disclosure of this information is essential for assessing the financial position of the company.

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

12/ Analysis and financial evaluation of the financial resources management policy with the position of opportunities for the service of the obligations, the eventual threats and measures which the company was prevented or provided to take for the purpose of removing them.

The management of financial resources is subject to the requirement of maximizing efficiency while respecting payment deadlines agreed with both suppliers and customers. This means a predominant use of own funds, resulting in lower financial costs and interest costs. On the other hand, there is a significant reserve of undrawn loans that can serve both current and investment costs, which maintain high liquidity of payments.

The entity's ability to service obligations is expressed in terms of liquidity ratios in the description of the liquidity risk in this report. As evidenced by the values of the liquidity indicators, Sirma Group Holding AD has no problems in meeting its obligations, both in the medium and long term. The company has regular proceeds from sale, while also using bank overdrafts, which allows it to service its obligations by successfully managing its financial resources and to properly and timely service its obligations.

13/ Assessment of the possibilities for the implementation of investment intentions with the significance of the amount of expenditure and the effectiveness of the possible changes in the structure of financing that activity.

Management estimates that the realization of the investment intentions is possible, namely the purchase of a majority stake in companies that meet our financial and business needs, in order to more quickly reach the Group to new markets, customers, technologies, thereby achieving an increase in consolidated revenues and profit.

14/ Information about occurring changes in the reporting period in the main principles for the management of the company and its economic group.

The management estimates that it is possible to realize the investment intentions declared with the prospectus for initial public offering.

15/ information about the main characteristics of the financial reporting processing internal control system and risk management system in the company.

Under Bulgarian law, the management should prepare an interim report on the operations and a

financial statement for each quarter to give a true and fair view of the Company's financial position as of the end of the year, financial performance and cash flows in accordance with the applicable accounting framework. Management's responsibility also includes the implementation of an internal control system to prevent, detect and correct mistakes and false statements as a result of the accounting system's actions. In this respect, the management observes the following basic principles in its activities:

- adherence to a particular management and accounting policy disclosed in the financial statements;
- carrying out all operations in compliance with the laws and regulations; coverage of all events and operations in a timely manner, with the exact amount of the amounts in the appropriate accounting articles.
- accounts and the relevant reporting period so as to allow the financial statements to be prepared in accordance with the specific accounting framework;
- observance of the precautionary principle in the valuation of assets, liabilities, income and expenses;
- detection and termination of frauds and errors;
- completeness and regularity of accounting information;
- preparation of reliable financial information;
- adherence to international financial reporting standards and adherence to the going concern principle.

The interim separate financial statements have been prepared in accordance with the going concern principle, taking into account the possible effects of the emerging geopolitical situation and other risks accompanying the company's activity.

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

16/ Information on changes in management and supervisory authorities during the period.

No changes during the period considered.

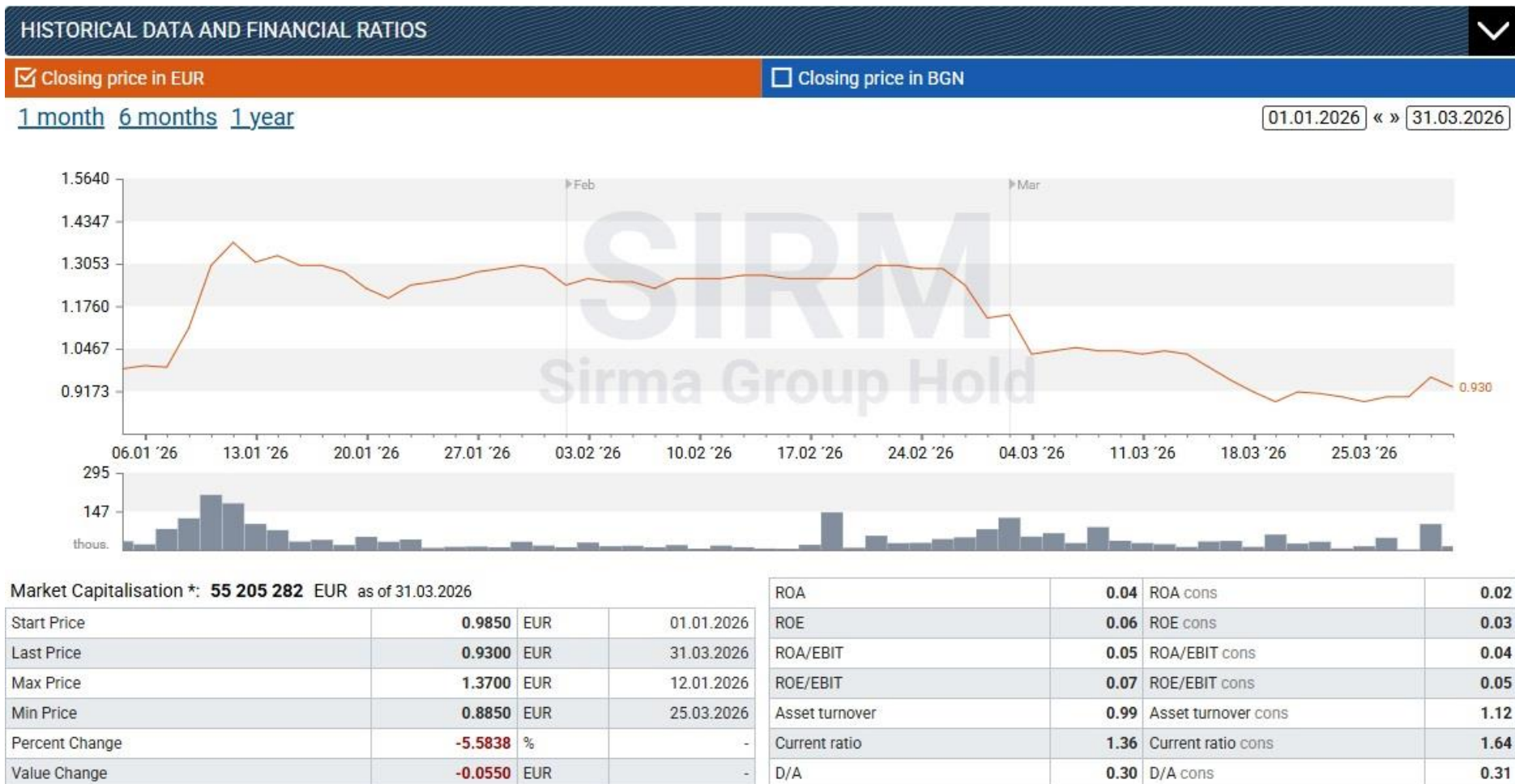
17/ Information about the use of the funds from a new issued shares and securities in the reporting period.

No funds from a new issued shares and securities were used during the reporting period.

18/ Details of the director for connections with the investor, including a telephone and address for correspondence.

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19/ CHANGES IN THE PRICE OF THE SHARES OF THE COMPANY



20/ EVENTS AFTER THE END OF THE REPORTING PERIOD

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

Sofia
30.04.2026

CEO:
Tsvetan Alexiev