



Notes

to the Interim Separate
Financial Statements of
"Sirma Group Holding" AD
for Q1 2026

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Notes to the interim separate financial statements

1. General information about “Sirma Group Holding” AD

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

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

The company’s principal activities include

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

The share capital of the company as of 31.03.2026, as well as at the date of preparation of this financial report, is in the amount of EUR 30 273 864, divided into 59 360 518 non-current registered shares with a nominal value of EUR 0,51.

The company's capital is fully paid.

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

- Software representing 29 (twenty nine) software modules. **Amount: EUR 31 473 000**
- 81 960 ordinary registered shares of "Sirma Group" AD registered in the Commercial Register under UIC 040529004. **Amount: EUR 6 000 000**
- Real Estate - Floor 3 of an office building "IT - Center Office Express" in Sofia, bul. "Tsarigradsko Shosse" N 135 with an area of 796,50 square meters, pursuant to Deed of buying and selling real estate N 126, Volume I, reg. N 4551, case N 116 from 23.04.2003 and 5 floor of an office building "IT - center office Express" in Sofiabul. "Tsarigradsko Shosse" N 135 with area of 281.81 square meters, according to Deed of sale of real estate N 86, Volume 4, Reg. N 10237, Case N 592 of 23.12.2004. **Amount: EUR 2 000 000**



1.1. 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	30 274	30 351
Number of shares (par value of EUR 0.51)	59 360 518	59 360 518
Total number of registered shareholders incl:	1 679	1 452
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%

Share capital allocation, including deduction of repurchased own shares 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 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.

1.2. Management authorities

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

The Board of Directors as at 31.03.2026 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

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

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

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



The following Committees are established within the Board of Directors:

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

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

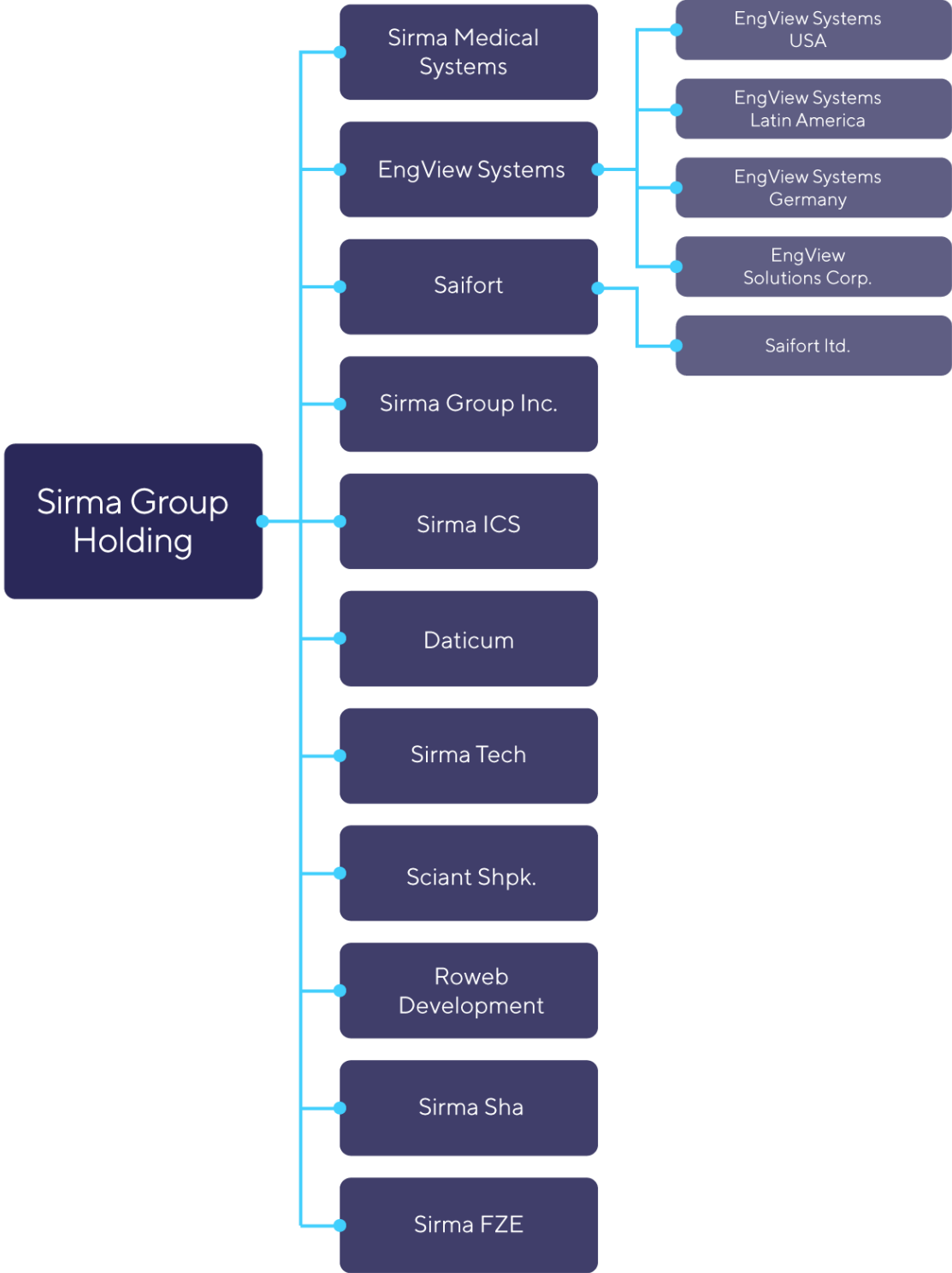
Shareholders	Number of shares at 31.03.2026	Number of shares at 31.12.2025	Nominal value (EUR)	Value (EUR)	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 461 898	5 461 898	0,51	2 785 568	9,20%	9,48%
Tsvetan Borisov Alexiev	5 025 153	5 025 153	0,51	2 562 828	8,47%	8,73%
Chavdar Velizarov 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 Ludmilov Djonev sold 19 747 shares of the capital of the company.



Organizational structure of Sirma Group

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



Subsidiaries of "Sirma Group Holding" AD:

Company	Value of the investment at 31.03.2026 (EUR'000)	Percentage of capital at 31.03.2026	Value of the investment at 31.12.2025 (EUR'000)	Percentage of capital at 31.12.2025
Saifort EAD	9 134	100%	9 134	100%
Impairment	(2 741)	-	(2 741)	-
Roweb Development	5 812	51%	5 812	51%
Sirma Group Inc.	3 342	100%	3 342	3 342
Sirma Tech	717	100%	717	100%
Impairment	(13)	-	(13)	-
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%
Impairment	(30)	-	(30)	-
EngView Systems AD	26	72,90%	26	72,90%
Sirma Sha Shpk.	13	55%	13	55%
Sirma ISG OOD	2	71%	2	71%
Impairment	(2)	-	(2)	-
Sirma FZE	-	100%	338	100%
Total	16 807		16 807	

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

The number of employees as of 31.03.2026 was 438 people, including 429 employees under labour contracts and 9 under management contracts.



2. Basis for the preparation of the interim separate financial statements

2.1. Statement of compliance with IFRS adopted by the EU

These interim separate financial statements for the period of three months to 31 March 2026 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. It does not contain all the information required for the preparation of annual financial statements in accordance with IFRS and should be read in conjunction with the annual financial statements of the Company as of 31 December 2025, prepared in accordance with International Financial Reporting Standards (IFRS), developed and published by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

The interim financial statements are presented in euro (EUR), which is also the functional currency of the Company. All amounts are presented in thousand euro (EUR'000) (including comparative information) unless otherwise stated.

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

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

2.2. Application of the going concern principle

The interim financial statements have been prepared in accordance with the going concern principle and taking into account the possible effects of the military conflict between Russia and Ukraine, the unstable situation in the Middle East and others.

In these circumstances, the Company's management has analysed and assessed the Company's ability to continue as a going concern based on available information about the foreseeable future and management expects that the Company has sufficient financial resources to continue its operations in the near future and continues to apply the going concern principle in preparing of the interim separate financial statements.

3. Changes in accounting policies

3.1. New Standards adopted as at 1 January 2026

The Company has not applied new standards, amendments and interpretations to IFRS, developed and published by the International Accounting Standards Board, which are mandatory for application from the annual period beginning on 1 January 2026.

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

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been issued, but are not effective or adopted by the EU for the financial year beginning on 1 January 2026 and have not been applied early by the Company. They are not expected to have a material impact on the Company's financial statements. Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

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

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

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



that date. IFRS 18 replaces IAS 1 Presentation of Financial Statements. Requirements in IAS 1 that are unchanged have been transferred to IFRS 18 and other Standards. IFRS 18 will affect all companies in all industries. Although IFRS 18 will not affect how companies measure financial performance, it will affect how companies present and disclose financial performance. IFRS 18 aims to improve financial reporting by:

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

4. Significant accounting policies

4.1. Overall considerations

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

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

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

4.2. Presentation of separate financial statements

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

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

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

4.3. Foreign currency translation

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

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



4.4. Segment reporting

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.5. Revenue

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

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

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

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

Evaluation

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

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



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

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

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

4.5.1. Revenue recognised over time

- **Rendering of services**

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

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

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

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

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

Support Services (After-Sales Services)

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

Consulting and IT Services

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



Software application development

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

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

Measurement

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

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

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

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

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

4.5.2. Revenue recognised at a point of time

- **Sale of goods**

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

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

4.5.3. Revenue from investment property rental

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

4.5.4. Interest and dividend income

Interest income is related to loan agreements and deposits granted under the business activity of the holding company. It is reported on an accrual basis using the effective interest method. Dividend income is recognised at the time the right to receive payment is established.



4.5.5. Revenue from financing

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

4.6. Contract liabilities

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

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

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

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

4.7. Operating expenses

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

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

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

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

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

4.8. Interest expenses and borrowing costs

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

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

To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company shall determine the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.



4.9. Income tax

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

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

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

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

Deferred tax liabilities are always provided for in full.

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

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

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

4.10. Goodwill

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

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

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

See note 6 for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Refer to note 4.16 for a description of impairment testing procedures.

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

4.11. Intangible assets

Intangible assets include software products and software module rights. They are accounted for using the cost model. The cost comprises its purchase price, including any import duties and non-



refundable purchase taxes, and any directly attributable expenditure on preparing the asset for its intended use, whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives, as these assets are considered finite.

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

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

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

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

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

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

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

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

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

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

Directly attributable costs to the development phase include employee remuneration and social security expense as well as hired services expenses. Internally generated intangible assets are subject to the same subsequent measurement method as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only as described below in note 4.16.

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

The recognition threshold adopted by the Company for the intangible assets amounts to EUR 358.



4.12. Property, plant and equipment

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

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

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

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

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

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

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

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

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

The recognition threshold adopted by the Company for property, plant and equipment amounts to EUR 358.

4.13. Investments in subsidiaries

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

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

4.14. Investments in joint ventures

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

Investments in joint ventures are reported at cost.



As of 31 March 2026, the Company has a 40% participation in Consortium “Smart-Sirma” and a 50% participation in Consortium “OSI-S”. Management has analyzed its participation and classified it as a “joint venture” in accordance with IFRS 11 “Joint Arrangements”.

4.15. Leases

The Company as a lessor

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

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

Assets subject to operating lease agreements are presented in the statement of financial position and are depreciated and amortized in accordance with the depreciation and amortization policy of the Company for similar assets and with the requirements of IAS 16 “Property, Plant and Equipment” and IAS 38 “Intangible Assets”. The Company earns rental income from operating leases of its investment properties (see note 10). Rental income is recognised on a straight-line basis over the term of the lease.

The Company as a lessee

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

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

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

Measurement and recognition of leases as a lessee

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

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

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

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

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

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



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

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

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

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

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

4.17. Investment property

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

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

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

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

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

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

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

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

Rental income and operating expenses from investment property are reported in the separate statement of profit or loss and other comprehensive income, respectively in the line "Revenue from sales", "Other expenses" and "Employee benefits expense" respectively and are recognised as described in note 22, note 26 and note 17.1.



4.18. Financial instruments

4.18.1. Recognition and derecognition

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

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

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

4.18.2. Classification and initial measurement of financial assets

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

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

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

The classification is determined by both:

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

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

4.18.3. Subsequent measurement of financial assets

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

Financial assets at amortised cost

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

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

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are



measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company’s cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Trade receivables

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

Financial assets at fair value through profit or loss

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

This category also contains an equity investment. The Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in subsidiaries at FVOCI.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

4.18.4. Impairment of financial assets

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

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

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

Trade and other receivables, contract assets and finance lease receivables

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

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

4.18.5. Classification and measurement of financial liabilities

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

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



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

The Company has designated some financial liabilities at FVTPL to reduce significant measurement inconsistencies between investment properties in the United States and related US-dollar bank loans with fixed interest rates. These investment properties are measured using the fair value model, with changes in the fair value recognised in profit or loss. The fair value of loans used to finance these assets correlates significantly with the valuation of the investment properties held by the Company, because both measures are highly reactive to the market interest rate for 30-year government bonds. The loans are managed and evaluated on a fair value basis through a quarterly management review in comparison with the investment property valuations. Therefore, the Company designates such fixed interest rate loans as at FVTPL if they are secured by specific investment property assets that are held by the Company. This accounting policy reduces significantly what would otherwise be an accounting mismatch.

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

4.19. Inventory

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

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

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

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

4.20. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, current bank accounts, demand deposits and deposits up to 3 months, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.21. Equity and reserves

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

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

Reserves include:

- Premium reserves, formed as a difference between issue and nominal value in the issue of shares, received during the initial issuance of share capital. All transaction costs related to the issuance of shares are deducted from paid-up capital, net of tax benefits.



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

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

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

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

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

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

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

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

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

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



4.23. Share-based employee remuneration

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

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

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

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

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

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

4.24. Provisions, contingent liabilities and contingent assets

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

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

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



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

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

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

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

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

In the preparation of the presented Separate financial statements the significant judgments of the management in applying the accounting policies of the Company and the main sources of uncertainty of the accounting estimates do not differ from those disclosed in the annual financial statements of the Company as at 31 December 2025, except for changes in the estimate of income tax liability.

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

4.25.1. Internally generated intangible assets and research and development costs

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

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

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

4.25.2. Impairment of non-financial assets

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

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

4.25.3. Useful lives of depreciable assets

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



At 31 March 2026 management assesses that the useful lives represent the expected utility of the assets to the Company. The carrying amounts are analysed in notes 7,8 and 10. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

4.25.4. Measurement of expected credit losses

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

5. Segment reporting

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

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

	System Integration	Hospitality	IT Services	Financial Industry	Strategic development	Total
31.03.2026	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	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)	(1 766)
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	383	(32)	282	283	(580)	336

	System Integration	Hospitality	IT Services	Financial Industry	Strategic development	Total
31.03.2025	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Segment revenues	7 401	1 299	1 756	1 281	1 599	13 336
Cost of materials and cost of goods sold	(6 454)	-	-	(1)	(123)	(6 578)
Hired services expenses	(338)	(470)	(267)	(214)	(299)	(1 588)
Employee benefits expense	(186)	(848)	(1 229)	(938)	(1 111)	(4 312)
Depreciation and amortisation of non-financial assets	(6)	(73)	(92)	(70)	(89)	(330)
Other expenses	(1)	(4)	(5)	(1)	(101)	(112)
Segment operating profit	416	(96)	163	57	(124)	416

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

	31.03.2026 EUR'000	31.03.2025 EUR'000	Change EUR'000	Change (%)
Bulgaria (domicile)	10 213	9 227	986	10,69%
USA	876	1 458	(582)	(39,92%)
UK	910	768	142	18,49%
Other countries	2 023	1 883	140	7,43%
Total	14 022	13 336	686	5,14%



6. Goodwill

On 15 January 2025, a contract was signed by “Sirma Group Holding” AD for the acquisition of a separate part of the commercial enterprise with the company “Duo Soft” EOOD, UIC 130235197, entitled "Software developments in the field of academic recognition" as an independent set of rights, obligations and factual relationships created during the implementation of its previous commercial activity according to the accounting balance sheet at the time of the transfer of the separate part, for a price of EUR 142 thousand.

	31.03.2026 EUR'000	31.12.2025 EUR'000
Gross carrying amount		
Balance as of January 1	12 582	12 508
Goodwill acquired as a result of a business combination including:	-	153
<i>IT Services (Duo Soft EOOD)</i>	-	153
<i>Impairment of goodwill:</i>		
<i>IT Services (Duo Soft EOOD)</i>	-	55
Balance amount as of 31 March/December	12 582	12 582



7. Property, plant and equipment

	Buildings	Facilities	Vehicles	Office equipment	Machinery	Computer equipment	Assets under construction	Right-of-use assets	Others	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Gross carrying amount										
Balance at 1 January 2026	4 070	159	418	269	194	1 073	42	941	273	7 439
Additions	-	1	-	-	2	25	-	-	15	43
Assets sold	-	-	(38)	-	-	(15)	-	-	-	(53)
Written off assets	-	-	-	-	-	-	(5)	-	-	(5)
In exploitation	-	-	-	-	-	-	(4)	-	-	(4)
Balance at 31 March 2026	4 070	160	380	269	196	1 083	33	941	288	7 420
Depreciation										
Balance at 1 January 2026	(761)	(6)	(223)	(168)	(78)	(950)	-	(292)	(83)	(2 561)
Depreciation	(11)	-	(10)	(10)	(7)	(26)	-	(93)	(10)	(167)
Depreciation written off	-	-	32	-	-	15	-	-	-	47
Balance at 31 March 2026	(772)	(6)	(201)	(178)	(85)	(961)	-	(385)	(93)	(2 681)
Carrying amount at 31 March 2026	3 298	154	179	91	111	122	33	556	195	4 739
	Buildings	Facilities	Vehicles	Office equipment	Machinery	Computer equipment	Assets under construction	Right-of-use assets	Others	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Gross carrying amount										
Balance at 1 January 2025	3 866	159	360	364	184	1 129	6	406	328	13 305
Additions	204	-	145	12	115	93	58	601	16	1 244
Assets sold	-	-	(87)	(1)	(4)	(49)	-	-	-	(141)
Transfer to goods	-	-	-	-	-	(106)	-	-	-	(106)
Written off assets	-	-	-	(106)	(101)	-	(22)	(66)	(71)	(366)
In exploitation	-	-	-	-	-	6	-	-	-	6
Balance at 31 December 2025	4 070	159	418	269	194	1 073	42	941	273	7 439
Depreciation										
Balance at 1 January 2025	(721)	(4)	(242)	(236)	(174)	(916)	-	(75)	(116)	(2 484)
Depreciation	(40)	(2)	(50)	(39)	(8)	(124)	-	(275)	(39)	(577)
Depreciation written off	-	-	69	107	104	90	-	58	72	500
Balance at 31 December 2025	(761)	(6)	(223)	(168)	(78)	(950)	-	(292)	(83)	(2 561)
Carrying amount at 31 December 2025	3 309	153	195	101	116	123	42	649	190	4 878

All depreciation charges are included within “Depreciation and amortization of non-financial assets”.

As at 31 March 2026 there were no material contractual commitments related to acquisition of items of property, plant and equipment.



8. Intangible assets

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

	Internally developed assets	Intellectual property rights	Software products	Rights to software modules	Internally created assets under development	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Gross carrying amount						
Balance at 1 January 2026	1 785	10 344	734	2 658	1 015	16 536
Assets for completion	-	-	(2)	(33)	-	(35)
Written off assets	-	-	-	-	348	348
Newly acquired assets	1 785	10 344	732	2 625	1 363	16 849
Balance at 31 March 2026						
Amortization and impairment	(92)	(7 957)	(640)	(2 014)	-	(10 703)
Balance at 1 January 2026	(29)	(111)	(12)	(66)	-	(218)
Amortization	-	-	2	33	-	35
Amortization written off	(121)	(8 068)	(650)	(2 047)	-	(10 886)
Balance at 31 March 2026	1 664	2 276	82	578	1 363	5 963
Carrying amount at 31 March 2026	1 785	10 344	734	2 658	1 015	16 536

	Internally developed software products	Intellectual property rights	Software products	Rights to software modules	Internally developed assets- In process of development	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Gross carrying amount						
Balance at 1 January 2025	4 632	-	57	1 623	-	6 312
Additionally developed assets	(583)	426	-	-	(621)	(778)
Written off assets	-	(1 622)	(167)	(2 017)	-	(3 806)
Newly acquired assets	-	-	103	273	830	1 206
Balance at 31 December 2025	1 785	10 344	734	2 658	1 015	16 536
Amortization and impairment						
Balance at 1 January 2025	(669)	(9 203)	(798)	(3 768)	-	(4 557)
Amortization	(108)	(469)	(9)	(263)	-	(849)
Amortization written off	685	1 715	167	2 017	-	4 584
Balance at 31 December 2025	(92)	(7 957)	(640)	(2 014)	-	(10 703)
Carrying amount at 31 December 2025	1 693	2 387	94	644	1 015	5 833

The Company's intangible assets reported under “Internally developed assets” are internally developed. These include assets as follows:

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

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

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

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



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

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

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

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

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

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

The Company reports intangible assets developed by the incorporated companies under the heading "Intellectual Property Rights". These include assets as follows:

Customer Intelligence Platform (CIP)

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

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

RISK SCORE TOOLBOX (RSTBOX)

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

CEGATE solution

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

DiGiBANK solution

DiGiBANK is an integrated software solution with a web-based interface for managing various banking services and operations remotely and on the basis of the global Internet environment (www).



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

REXPRESS solution

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

SCARDS solution

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

UBXPAYMENTS solution

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

shRedy

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

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

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

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

Sirma InSuite

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

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



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

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

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

Loyax

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

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

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

The Company has not entered into material contractual commitments to acquire intangible assets as of 31 March 2026.

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

No intangible assets have been pledged as security for liabilities.



9. Investments in subsidiaries

The Company has the following investments in subsidiaries:

Name of the subsidiary	Country of incorporation and principal place of business	Main activities	31.03.2026 EUR'000	31.03.2026 share	31.12.2025 EUR'000	31.12.2025 share
Saifort EAD	Bulgaria	Software services	9 134	100%	9 134	100%
Impairment Roweb Development	Romania	Software services	(2 741)	-	(2 741)	-
Sirma Group Inc.	USA	Software services	5 812	51%	5 812	51%
Sirma Tech	UK	Software services	3 342	100%	3 342	3 342
Impairment Daticum AD	Bulgaria	Software services	717	100%	717	100%
Sirma ICS AD	Bulgaria	Software services	(13)	-	(13)	-
Sciant Shpk	Albania	Software services	239	59%	239	59%
Sirma Medical Systems AD	Bulgaria	Software services	143	93%	143	93%
Impairment EngView Systems AD	Bulgaria	Software services	131	100%	131	100%
Sirma Sha Shpk.	Albania	Software services	34	66%	34	66%
Sirma ISG OOD	Bulgaria	Software services	(30)	-	(30)	-
Impairment Sirma FZE	UAE	Software services	26	72,90%	26	72,90%
			13	55%	13	55%
			2	71%	2	71%
			(2)	-	(2)	-
			-	100%	-	100%
Total			16 807		16 807	

The subsidiaries are recognised in the financial statements of the Company using the cost method. The shares of the subsidiaries are not traded on a stock exchange. The Company has contingent liabilities as a guarantor on loans granted to subsidiaries (see note 31).

10. Investment property

Investment properties are specially detached parts of buildings for self-operation, intended for long-term rent to subsidiaries and third parties. The investment properties have a total built-up area of 5 522 square meters and are part of a business building in Mladost district, Sofia. Changes to the carrying amounts presented in the separate statement of financial position can be summarized as follows:

	Investment property EUR'000
Gross carrying amount	
Balance at 1 January 2026	2 405
Balance at 31 March 2026	2 405
Depreciation	
Balance at 1 January 2026	(285)
Depreciation	(6)
Balance at 31 March 2026	(291)
Carrying amount at 31 March 2026	2 114
	Investment property EUR'000
Gross carrying amount	
Balance at 1 January 2025	2 405
Balance at 31 December 2025	2 405
Depreciation	
Balance at 1 January 2025	(261)
Depreciation	(24)
Balance at 31 December 2025	(285)
Carrying amount at 31 December 2025	2 120



11. Deferred tax assets and liabilities

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

Deferred tax liabilities (assets)	1 January 2026 EUR'000	Recognised in profit and loss EUR'000	31 March 2026 EUR'000
Non-current assets			
Property, plant and equipment, intangible assets, investment property	183	-	183
Impairment of investments	(346)	-	(346)
Current assets			
Trade and other receivables	(38)	-	(38)
Inventory	(1)	-	(1)
Non-current liabilities			
Pension and other employee obligations	(37)	-	(37)
Current liabilities			
Employee obligations	(117)	-	(117)
Tax loss	(48)	-	(48)
	(404)	-	(404)
Deferred tax assets	183		183
Deferred tax liabilities	(587)		(587)
Recognised as:			
Net deferred tax (assets)	(404)		(404)

Deferred taxes for the comparative period 31.12.2025 can be summarized as follows:

Deferred tax liabilities (assets)	1 January 2025 EUR'000	Recognised in profit and loss EUR'000	31 December 2025 EUR'000
Non-current assets			
Property, plant and equipment, intangible assets, investment property	172	11	183
Impairment of investments	(345)	(1)	(346)
Current assets			
Trade and other receivables	(78)	40	(38)
Inventory	-	(1)	(1)
Non-current liabilities			
Pension and other employee obligations	(31)	(6)	(37)
Current liabilities			
Employee obligations	(101)	(16)	(117)
Leasing contracts liabilities	(1)	1	-
Tax loss	(152)	104	(48)
	(536)	132	(404)
Deferred tax assets	172		183
Deferred tax liabilities	(708)		(587)
Recognised as:			
Net deferred tax (assets)	(536)		(404)

All deferred tax assets and liabilities have been recognised in the separate statement of financial position.

12. Inventory

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

	31.03.2026 EUR'000	31.12.2025 EUR'000
Computers, laptops	542	1 582
Computer components	196	121
Materials and consumables, spare parts	78	27
	816	1 730

None of the inventories at 31 March 2026 are pledged as securities for liabilities.



13. Trade receivables

	31.03.2026 EUR'000	31.12.2025 EUR'000
Trade receivables, gross amount before impairment	6 045	5 068
Impairment losses on trade receivables	(177)	(177)
Trade receivables, net	5 868	4 891
Other financial receivables, gross amount before impairment	144	144
Impairment losses on other financial receivables	(144)	(144)
Deposit receivables		390
Other financial receivables, net	-	390
Current trade and other financial receivables, net	5 868	5 281

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

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

An analysis of unimpaired trade receivables that are past due is presented in note 32.

14. Prepayments and other assets

	31.03.2026 EUR'000	31.12.2025 EUR'000
Prepaid amounts to subcontractors	1 048	1 028
Advances for delivery of goods and services	229	366
Prepaid expenses	135	138
Deposit receivables	162	41
Reimbursable taxes	8	7
Other assets, non-financial	1 582	1 580

For all other assets of the Company a simplified approach has been applied to determine the expected credit losses at the end of the period.

15. Cash and cash equivalents

Cash and cash equivalents include the following components:

	31.03.2026 EUR'000	31.12.2025 EUR'000
Cash at bank and in hand:		
- BGN	-	2 300
- EUR	761	804
- GBP	1	1
- USD	580	872
Cash and cash equivalents	1 342	3 977

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

16. Equity

16.1. Share capital

The share capital of “Sirma Group Holding” AD consists only of 59 360 518 fully paid ordinary shares with a nominal value of EUR 0.51. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders meeting of the Company.

	31.03.2026 Number of shares	31.12.2025 Number of shares
Number of shares issued and fully paid:		
- beginning of the year	59 360 518	59 360 518
Number of shares issued and fully paid	59 360 518	59 360 518
Total number of shares authorized as at 31 March/December	59 360 518	59 360 518



A detailed list of shareholders is presented in Note 1.

16.2. Repurchased own shares

As of 31.03.2026 „Sirma Group Holding“ AD holds 1 765 827 (31.12.2025 - 1 569 069) repurchased own shares at the total amount of EUR 900 572 (2,97% of share capital).

16.3. Share premium reserve

The share premium reserve in the amount of EUR 2 837 thousand (31.12.2025 – EUR 2 984 thousand) consists of reserves from initial valuation of contributed fixed assets in the amount of EUR 1 850 thousand and reserves from issue of shares in the amount of EUR 987 thousand.

16.4. Other reserves

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

	31.03.2026 EUR'000	31.12.2025 EUR'000
Balance at January 1	1 270	823
Allocation of reserves	-	447
Balance at 31 March/December	1 270	1 270

17. Employee remuneration

17.1. Employee benefits expense

Expenses recognised for employee benefits include:

	31.03.2026 EUR'000	31.03.2025 EUR'000
Salary expenses	(4 755)	(3 988)
Social security expenses	(482)	(427)
Employee benefit expenses, capitalized in development for internally developed intangible assets	315	103
Employee benefits expense	(4 922)	(4 312)

17.2. Pension and other employee obligations

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

	31.03.2026 EUR'000	31.12.2025 EUR'000
Non-current:		
Compensations in compliance with Labour Code	373	373
Non-current pension and other employee obligations	373	373
Current:		
Payroll obligations	984	1 097
Social security obligations	274	283
Accrued holiday entitlement	840	840
Current pension and other employee obligations	2 098	2 220

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

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



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

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

18. Borrowings

Borrowings include the following financial liabilities:

	Current		Non-current	
	31.03.2026 EUR'000	31.12.2025 EUR'000	31.03.2026 EUR'000	31.12.2025 EUR'000
Financial liabilities measured at amortized cost				
Bank loans	1 385	688	3 581	3 752
Interest on bank loans	-	7	-	-
Total carrying amounts	1 385	695	3 581	3 752



18.1. Borrowings at amortized cost

Bank	Type of loan	Currency	Total amount of credit	Outstanding obligation at 31.03.2026	Date of contract	Interest rate	Maturity date	Pledges
“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
“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
“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

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



19. Lease liabilities

	31.03.2026 EUR'000	31.12.2025 EUR'000
Lease liabilities – non-current portion	304	353
Lease liabilities – current portion	328	376
Lease liabilities	632	729

Future minimum lease payments at 31 March were as follows:

	Minimum lease payments due					Total EUR'000
	Within 1 year EUR'000	1-2 years EUR'000	2-3 years EUR'000	3-4 years EUR'000	4-5 years EUR'000	
31 March 2026						
Lease payments	336	168	74	35	35	648
Finance charges	(8)	(5)	(2)	(1)	-	(16)
Net present values	328	163	72	34	35	632
31 December 2025						
Lease payments	386	192	94	36	43	751
Finance charges	(10)	(6)	(3)	(2)	(1)	(22)
Net present values	376	186	91	34	42	729

Interest expense on leases included in the finance costs for the period ended 31 March 2026 was EUR 3 thousand (31.12.2025: EUR 2 thousand).

Total cash outflow for leases for the period ended 31 March 2026 was EUR 100 thousand (31.12.2025: EUR 42 thousand).

20. Trade and other payables

	31.03.2026 EUR'000	31.12.2025 EUR'000
Non-current:		
Trade payables	2 246	4 514
Liability for acquisition of a subsidiary Investments in subsidiaries	146	650
Financial liabilities	2 392	5 164
Tax payables	339	311
Non-financial liabilities	339	311
Current trade and other payables	2 731	5 475

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

21. Contract liabilities

	31.03.2026 EUR'000	31.12.2025 EUR'000
Contract liabilities – advances received for delivery of IT services	1 533	2 283
Total contract liabilities	1 533	2 283



22. Revenues from sales

Revenues from sales by product line includes:

Product lines	31.03.2026 EUR'000	31.03.2025 EUR'000
Sale of IT equipment	7 030	7 329
Software services	5 509	4 746
Subscriptions	1 141	933
Support	164	169
Administrative and accounting services	57	38
Hosting	40	26
System integration	20	-
Licenses	5	-
Cloud services	-	5
Others	8	8
	13 974	13 254

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

31.03.2026	Sale of IT equipment				Rendering of services				Total EUR'000
	Bulgaria EUR'000	Europe EUR'000	USA EUR'000	Others EUR'000	Bulgaria EUR'000	Europe EUR'000	USA EUR'000	Others EUR'000	
Revenue from contracts with customers	6 928	94	-	4	3 239	2 450	876	383	13 974
Revenue recognition									
As a point in time	6 928	94	-	4	-	-	-	-	7 026
Over time	-	-	-	-	3 239	2 450	876	383	6 948

31.03.2025	Sale of IT equipment				Rendering of services				Total EUR'000
	Bulgaria EUR'000	Europe EUR'000	USA EUR'000	Others EUR'000	Bulgaria EUR'000	Europe EUR'000	USA EUR'000	Others EUR'000	
Revenue from contracts with customers	6 477	83	534	41	2 664	2 220	924	311	13 254
Revenue recognition									
As a point in time	6 477	83	534	41	-	-	-	-	7 135
Over time	-	-	-	-	2 664	2 220	924	311	6 119

23. Other income

	31.03.2026 EUR'000	31.03.2025 EUR'000
Investment property rental income	40	39
Gain on sale of non-current assets	6	1
Revenue from financing	-	7
Other revenues	2	35
	48	82



24. Cost of materials

	31.03.2026 EUR'000	31.03.2025 EUR'000
Electricity	(31)	(22)
Heating	(7)	(8)
Inventory	(6)	(14)
Hygienic materials	(3)	(3)
Advertising materials	(2)	(2)
Computer components	(2)	(2)
Office supplies	(1)	(2)
Water	(1)	(1)
Office repair and maintenance materials	-	(1)
Others	(9)	(3)
	(62)	(58)

25. Hired services expenses

	31.03.2026 EUR'000	31.03.2025 EUR'000
Software services	(1 032)	(935)
Consultancy services	(263)	(203)
Subscriptions	(155)	(170)
Advertising	(96)	(45)
Hosting	(44)	(36)
Commissions and Fees	(34)	(4)
Insurance	(28)	(17)
Sub - contracted operations as part of projects	(18)	(17)
Seminars and Training	(17)	-
Mobile Phones	(16)	(15)
Cleaning	(16)	(12)
Office Maintenance and Repair	(15)	(13)
Security	(12)	(9)
Intermediate services	(10)	(23)
Internet	(9)	(7)
Recruitment	(9)	(5)
Seminars and Trainings	(9)	(4)
Software licenses rent	(5)	(4)
Parking	(5)	(3)
Courier and transport services	(2)	(10)
Car maintenance and repair	(2)	(1)
Rents	-	(54)
Notary Fees	-	(1)
Others	(1)	-
Hired services expenses capitalized in RD as internally developed intangible assets	32	-
	(1 766)	(1 588)

26. Other expenses

	31.03.2026 EUR'000	31.03.2025 EUR'000
Social expenses	(50)	(52)
Business trips	(28)	(26)
Entertainment expenses	(26)	(26)
Expenses without documents and unrelated to the activity	(10)	(2)
Local taxes	-	(6)
Others	(1)	-
	(115)	(112)



27. Finance costs and finance income

	31.03.2026 EUR'000	31.03.2025 EUR'000
Interest expense for borrowings	(25)	(18)
Interest expense for finance lease agreements	(3)	(2)
Total interest expenses for financial liabilities not at fair value through profit or loss	(28)	(20)
Bank fees and commissions	(8)	(8)
Loss on foreign currency financial liabilities	-	(113)
Finance costs	(36)	(141)
	31.03.2026 EUR'000	31.03.2025 EUR'000
Gain on foreign currency financial liabilities	56	-
Finance gain	56	-

28. Earnings per share

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

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

	31.03.2026	31.03.2025
Profit attributable to the shareholders (EUR'000)	356	275
Weighted average number of outstanding shares (in thousand)	57 706	57 671
Basic earnings per share (EUR per share)	0,0062	0,0048

29. 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.

29.1. 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 loans	-	(1)
- Interest on deposits given	1	-



29.2. Transactions with other related parties

	31.03.2026 EUR'000	31.03.2025 EUR'000
Sale of services		
- Administrative, accounting services	2	-
- Rent	2	-
Sale of goods		
- Computer components	2	-

29.3. Transactions with key management personnel

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

	31.03.2026 EUR'000	31.03.2025 EUR'000
Short-term employee benefits:		
Salaries including bonuses	(69)	(59)
Social security costs	(1)	(1)
Total remunerations	(70)	(60)

30. Related party balances at the end of the period

	31.03.2026 EUR'000	31.12.2025 EUR'000
Non-current receivables from:		
- subsidiaries including	168	156
- receivables from joint ventures	60	121
- loans	108	35
Total non-current receivables from related parties	168	156
Current receivables from:		
- subsidiaries:	2 745	2 674
- trade and other receivables	1 956	1 886
- impairment of trade receivables	(5)	(5)
- dividends	60	60
- loans	733	733
- interests	1	-
- other related parties under common control	92	95
- loans	151	151
- impairment of loans	(63)	(63)
- trade and other receivables	1	4
- interests	3	3
- key management personnel	17	-
- loans	17	-
Total current receivables from related parties	2 854	2 769
Total receivables from related parties	3 022	2 925
Non-current payables to:		
- subsidiaries:	1 798	1 798
- deposits	1 798	1 798
Total non-current payables to related parties	1 798	1 798
Current payables to:		
- subsidiaries:	365	156
- trade and other liabilities	365	156
- other related parties under common control	45	45
- dividends	45	45
- key management personnel	4	4
Total current payables to related parties	414	205
Total payables to related parties	2 212	2 003

As at 31.03.2026 the Company reports the following given loans:

- to one subsidiary in the amount of EUR 108 thousand with maturity on 09.12.2028. Interest rate is 2.5%. There are no collaterals for the loans.
- to one related company under common control in the amount of EUR 151 thousand with maturity on 31.12.2026. Interest rate is 2%. There are no collaterals for the loans.



- to one key management personnel in the amount of EUR 17 thousand with maturity on 31.01.2028. The interest rate is 2.3%. There is no collateral on the loan.

As at 31.03.2026 the Company reports the following non-current payables to related parties:

- deposits received from one subsidiary in the amount of EUR 1 670 thousand are with a maturity date of 31.12.2027 and interest in the amount of 0.1%.
- deposits received from one subsidiary in the amount of EUR 128 thousand are with a maturity date of 04.02.2027 and interest in the amount of 0.1%.

The Company's current payables as of 31.03.2026 in the amount of EUR 414 thousand are related to commercial transactions and dividends.

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



31. Contingent assets and contingent liabilities

There are no contingent liabilities relating to subsidiaries and associates of the Company, except for:

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

Recipient of loan	Bank	Type of loan	Currency	Total amount of credit	Outstanding obligation to 31.03.2026	Date of contract	Interest rate	Maturity date	Pledges
EngView Systems AD	Unicredit BulBank AD	Overdraft	EUR	511 292	-	15.12.2020	The applicable variable interest rate for the relevant interest period +2 points, but not less than 2.08%	15.12.2026	Pledge of receivables



Litigations

No claims were brought against the Company.

32. Categories of financial assets and liabilities

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

Financial assets	31.03.2026 EUR'000	31.12.2025 EUR'000
Trade and other receivables	5 868	4 892
Related party receivables	3 022	2 924
Cash and cash equivalents	1 342	3 977
	10 232	11 793
Financial liabilities	31.03.2026 EUR'000	31.12.2025 EUR'000
Financial liabilities measured at amortized cost		
Loans:	4 966	4 447
<i>non-current</i>	3 581	3 752
<i>current</i>	1 385	695
Lease liabilities:	632	729
<i>non-current</i>	304	353
<i>current</i>	328	376
Trade and other payables	2 392	5 164
Related party payables:	2 212	2 003
<i>non-current</i>	1 798	1 798
<i>current</i>	414	205
	10 202	12 343

See note 4.18 about information related to the accounting policy for each category financial instruments. Description of the risk management objectives and policies of the Company related to the financial instruments is presented in note 33.

33. Financial instrument risk

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in note 32. 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 information on risk management and disclosures required in the preparation of annual financial statements and should be read in conjunction with the annual financial statements of the Company as of 31 December 2024. The objectives and policies of the Company for capital management, credit and liquidity risk are described in the last annual financial statement. There were no changes in the risk management policy for financial instruments during the period.

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



33.1. 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) was 2,8%.

33.1.1. 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.

33.1.2. 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.

33.2. 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.

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

33.3. 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.

34. Capital management policies and procedures

The Company's capital management objectives are:

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

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

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

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

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

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

35. Post-reporting date events

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

