RISK MANAGEMENT POLICY

OF
SIRMA GROUP JSC
AND ITS SUBSIDIARIES

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RISK MANAGEMENT POLICY OF SIRMA GROUP JSC AND ITS SUBSIDIARIES

I. General Provisions

Art. 1. Purpose

Sirma Group JSC and its subsidiaries ("Sirma" or the "Group") recognise the importance of effective risk management for the security, reliability, continuity and sustainability of their operations.

The purpose of this Risk Management Policy (the "Policy") is to establish a framework for identifying, assessing, mitigating and monitoring the risks associated with Sirma's operations. The Policy provides for:

1. identification and assessment of potential risks that could affect the operations, assets, data and reputation of the Group;
2. implementation of measures to mitigate and manage the identified risks effectively;
3. compliance with the relevant laws, regulations and industry standards;
4. continuous monitoring and review of the effectiveness of the risk management processes and their upgrade.

Art. 2. Scope

This Policy applies to all employees of Sirma, contractors and third parties engaged in activities on behalf of Sirma. It covers all aspects of the Group's operations, including, but not limited to, information security, financial risks, operational risks and compliance risks.

II. Risk Management Framework

Art. 3. Risk management process

Risk identification. Sirma regularly identifies and documents potential risks across all areas of the organisation, including cybersecurity, operational, financial and compliance risks. All employees are responsible for identifying and reporting potential risks in their respective areas of work. Registered emerging and potential risks are reported to the Investments, Risk and Sustainability Committee of the Board of Directors of Sirma Group JSC.

Risk assessment. Risks are assessed on the basis of their likelihood of occurrence and their potential impact on the sustainability of the Group and the achievement of its business objectives (see Art. 4). Sirma uses a Risk Matrix (Annex 1 to this Policy) to categorise risks by zone: risks are categorised by the product of the two scores (likelihood × impact): the Control zone (product of 12 or more) is of high priority, the Monitoring zone (product from 6 to 11.5) is of medium priority, and the Reporting zone (product below 6) is of low priority. The categorisation is carried out by the Investments, Risk and Sustainability Committee and guides the allocation of resources for mitigation.

Risk mitigation. Once risks have been identified and assessed, appropriate mitigation strategies are developed and implemented to reduce the likelihood and the potential impact of the identified risks. Mitigation plans are documented, assigned to responsible persons, who become the owners of the respective risks, and monitored for effectiveness.

The owner (role) and the date of the next review of each risk are stated in the Risk Matrix, where the plans are also summarised.

Risk monitoring and review. The Investments, Risk and Sustainability Committee reviews the economic situation and all risks in the Risk Matrix on a regular basis, at least quarterly, or more frequently if substantial changes occur. The review covers the macroeconomic, market, sector, regulatory and geopolitical environment and the likelihood and impact scoring of each risk. The results, with the justification of the scoring, are recorded in the Risk Matrix. Changes in the internal or external environment lead to a reassessment and, where necessary, an adjustment of the risk management strategies. The review is sent to the Board of Directors as the Committee's updated market and risk report (see below).

Substantial change in scoring. A substantial change in the scoring of a risk is a change of one point or more in either parameter, in either direction, a change of the risk from one zone to another, or the risk becoming critical (see Escalation below). A substantial change is recorded as an extraordinary review of the Risk Matrix (Art. 8).

Notification of risk owners. Where the Committee finds a substantial change in the scoring of any risk, it reports it promptly in writing to all risk owners, stating the new scores and the reasons, since a change in one risk may affect others.

Action by risk owners. On receiving the report, each risk owner assesses the effect on the risks they own and takes the steps needed to mitigate and control the risk accordingly: the owner updates the mitigation measures, metrics, deadlines and responsible persons in the Risk Matrix and implements them. Each risk owner monitors the development of the risk and reports to the Board of Directors if the owner considers it necessary, or upon the Board's request.

Quarterly market and risk report. After each quarterly review, the Investments, Risk and Sustainability Committee sends its updated market and risk report to the Board of Directors. The report summarises the economic situation and the current scoring of all risks and, for every risk whose scoring has changed since the previous report, describes the change specifically: the previous and the new likelihood and impact scores, the resulting score and zone, the reasons for the change, the risk owner and the steps taken or proposed to mitigate and control the risk.

Risk reporting. Quarterly reports on the status of the identified risks, the mitigation efforts and any emerging threats that require attention are provided to managers and to the Investments, Risk and Sustainability Committee. The Board of Directors receives the reports of the risk owners under this Article, when submitted, and a report at least annually, together with the annual review of the Risk Matrix.

Escalation. Risks in the Control zone are reviewed by the Investments, Risk and Sustainability Committee at each regular review. A risk scored 4 or more on both parameters is critical: it is reported to the Board of Directors at its next meeting, a mitigation plan with deadlines and responsible persons is adopted, and the Audit Committee is informed.

Art. 4. Risk assessment scoring

Two parameters are scored for each identified risk, each on a scale from 1 to 5: the likelihood of occurrence of the risk and the strength of its impact on Sirma's activity if it materialises. Intermediate values may be used. The scores mean:

Score	Description	Likelihood of occurrence	Potential strength of impact
1	Insignificant	Insignificant likelihood of occurrence.	Insignificant impact on the activity of Sirma.
2	Small	Small likelihood of occurrence.	Weak impact, which does not significantly change the operations of Sirma.
3	Moderate	Moderate likelihood of occurrence.	Noticeable impact on the activity of Sirma.
4	Substantial	Substantial likelihood of occurrence.	Substantial impact on the activity of Sirma.
5	Strong	Almost certain occurrence.	Strong and lasting impact on the activity of Sirma.

Art. 5. Risk Matrix

Not all risks have the same likelihood of occurrence, and each risk has a different impact on Sirma's activity. The likelihood and the impact of each risk also change over time.

To visualise the materiality of each risk and to take into account its current likelihood of occurrence, the Group uses the scoring system and the "Risk Matrix" (Annex 1), which is an integral part of this Policy. The Risk Matrix contains:

1. the name of the identified risk;
2. a brief description of the risk;
3. a score for the likelihood of its occurrence and for its potential negative effects, using a point system from 1 to 5;
4. an annual review of the risk for the past year, the justification of the scoring and a review of the risk mitigation measures;
5. the risk mitigation measures used by the Group;
6. metrics for measuring the effectiveness of the response to the given risk.
7. the owner (role) of the risk and the date of its next review.

III. Roles and Responsibilities

Art. 6. Roles and responsibilities

Board of Directors. The Board of Directors oversees and directs the risk management process. Its members ensure that adequate resources are allocated to risk management activities and that the risk management objectives are aligned with the strategic objectives of the Group. It may request reports from the risk owners on the development of risks and the steps taken.

Investments, Risk and Sustainability Committee. The Committee coordinates the activities of risk identification, assessment, mitigation and monitoring across the Group. Its members support the risk management training of employees, support the Board of Directors on risk management and provide guidance on risk-related matters. It reviews the economic situation and all risks on a regular basis and reports substantial changes in risk scoring to all risk owners (Art. 3).

Audit Committee. The Audit Committee, elected by the General Meeting of Shareholders on the proposal of the Board of Directors under Art. 107 of the Independent Financial Audit and Sustainability Assurance Act and acting under its Statute (approved

on 10 January 2025), consists of three members, the majority of whom are independent. It monitors the effectiveness of the Group's internal control and risk management systems in respect of financial and sustainability reporting. It may propose to the Board of Directors measures for newly identified critical risks, changes to existing measures and their deadlines and responsibilities, and interacts with managers on optimising the control system.

Managers. Heads of departments, verticals or companies are accountable for implementing and enforcing this Policy, oversee the risk assessments and ensure that appropriate controls are in place.

Risk owners. The owners of the risks (roles stated in the Risk Matrix) take steps to mitigate and control their risks following a report of the Committee on a substantial change in risk scoring, keep the measures and metrics in the Risk Matrix up to date and report to the Board of Directors if they consider it necessary, or upon its request (Art. 3).

Employees. All employees are responsible for complying with the risk management policies and procedures, for promptly reporting any potential risks or incidents and for actively participating in risk assessment and mitigation within their respective roles.

IV. Compliance, Reporting and Review

Art. 7. Compliance and reporting

The risk management process complies with all applicable laws, regulations and industry standards governing risk management practices in the IT sector.

Incidents, near misses and significant changes in risk profiles are promptly reported to the Investments, Risk and Sustainability Committee for assessment and appropriate action. Regular risk management reports are provided to the Board of Directors to ensure transparency and accountability.

The Risk Matrix and its annual review are made available to the Audit Committee for the purposes of its monitoring under Art. 6.

Art. 8. Review and revision

This Policy is reviewed annually or as needed, to ensure its continued relevance and effectiveness. Necessary revisions are made in consultation with the relevant stakeholders, approved by the Board of Directors and communicated across the Group. Extraordinary reviews are carried out when necessary, in particular when the risk profile of the Group increases significantly or following a substantial change in risk scoring (Art. 3).

V. Adoption and Implementation

Art. 9. Adoption and implementation

All employees are required to familiarise themselves with this Policy and to comply with its provisions in the performance of their duties. Failure to comply with this Policy may result in disciplinary action, up to and including termination of employment.

This Policy, together with the associated procedures and guidelines, is maintained and updated as necessary by the Investments, Risk and Sustainability Committee and approved by the Board of Directors. The current version is made available to all employees through the Group's internal communication channels.

Final provisions

§ 1. By resolution of the General Meeting of Shareholders of 18 June 2026, the name of the Company was changed from "Sirma Group Holding" JSC to Sirma Group JSC (registered in the Commercial Register on 7 July 2026). All references to "Sirma Group Holding" JSC in the Group's documents are to be read as references to Sirma Group JSC.

Amendment history

Date	Decision	Amendment
15 Nov 2015	Decision of the Board of Directors	Adoption of the Policy
Every year in March	Annual review (Art. 8) and extraordinary reviews when necessary	Review and update
18 Jun 2026	Resolution of the General Meeting of Shareholders	Change of the Company name to Sirma Group JSC
14 Oct 2026	Extraordinary review (Art. 8), approved by the Board of Directors	Review due to changed risk levels: scoring of all risks and the Risk Matrix revised; risk 2.12 (regional security and business continuity) added; procedure for the review of risks and notification of risk owners and a quarterly market and risk report to the Board added to Art. 3 and Art. 6

Annex 1. Risk Matrix

The Risk Matrix shows the 29 risks identified by the Group, scored for likelihood of occurrence (vertical axis) and potential impact on Sirma (horizontal axis) on a scale from 1 to 5. Risks are numbered as in the register below and coloured by group: systematic (green), unsystematic (blue) and risks specific to the shares (red). The scoring was revised in the Q4 2026 extraordinary review (due to changed risk levels) and risk 2.12 was added. Risks whose score changed, and the new risk, are marked with a dark ring. In the register, the score is likelihood × impact; where a parameter changed, the previous value is shown first (previous → current). Zones: Control (12 or more), Monitoring (6 to 11.5), Reporting (below 6). Critical risks (both parameters 4 or more; dashed red frame in the chart): 1.7, 2.3 and 3.1.



Note: where several risks have the same score, their markers are slightly spread apart for legibility; the scores in the register below apply.

No.	Risk	Likelihood	Impact	Score	Zone
1.1.	Risk of slow economic growth	4 → 3.5	5	**17.5**	Control
1.2.	Political risk	4	3	**12**	Control
1.3.	Credit risk	1 → 2	2	**4**	Reporting
1.4.	Currency risk	1 → 2	2	**4**	Reporting
1.5.	Interest rate risk	3 → 4	2	**8**	Monitoring
1.6.	Liquidity risk	1 → 2	3	**6**	Monitoring
1.7.	Inflation risk	4 → 5	5	**25**	Control (critical)
1.8.	Risk of adverse changes in tax laws and tax practice	3	4	**12**	Control

No.	Risk	Likelihood	Impact	Score	Zone
1.9.	Risk of force majeure	5	3	**15**	Control
1.10.	Climate and ESG risk	3	1	**3**	Reporting
2.1.	Industry risk	1	5	**5**	Reporting
2.2.	Specific company (customer) risk	3 → 3.5	4	**14**	Control
2.3.	Operational risk	4	4	**16**	Control (critical)
2.4.	Protection of intellectual property	2	2	**4**	Reporting
2.5.	Risk of entering into transactions with related parties at prices other than market prices	1	1	**1**	Reporting
2.6.	Risk of devaluation of the company's assets	3	3	**9**	Monitoring
2.7.	Cybersecurity and data protection risk	3 → 3.5	5	**17.5**	Control
2.8.	Key personnel and talent risk	4 → 3	5 → 3	**9**	Monitoring
2.9.	Technology disruption and AI risk	3 → 3.5	5	**17.5**	Control
2.10.	Customer and geographic concentration risk	2	4	**8**	Monitoring
2.11.	Regulatory and compliance risk	3	3	**9**	Monitoring
2.12.	Regional security and business continuity risk (new)	3	4	**12**	Control
3.1.	Price risk	3 → 4	4	**16**	Control (critical)
3.2.	Liquidity risk	4 → 5	2 → 3	**15**	Control
3.3.	Inflation risk	2 → 3	2	**6**	Monitoring
3.4.	Risk of dilution of share value	1	3	**3**	Reporting
3.5.	Currency risk	1	1	**1**	Reporting
3.6.	Lack of guarantee for payment of annual dividends	3	3	**9**	Monitoring
3.7.	Risk of changing the taxation of investments in securities	4 → 3.5	3	**10.5**	Monitoring

1. Systematic risks

General risks arise from possible changes in the overall economic system and, more specifically, changes in financial market conditions. All economic entities operating on a given market are exposed to them.

1.1. Risk of slow economic growth

Definition: The interaction between economic growth and financial markets has a direct impact on the formation and modification of market conditions and the investment climate. Slowed economic growth means reduced activity on the part of economic entities and a reduced level of investments in general and in particular in IT and software solutions. In this regard, lower economic growth adversely affects Sirma's activity and would prevent the realization of future plans according to previously set parameters.

Specific factors identified in the Annual Report 2025: postponed implementation of investment projects and low investment in the economy in the last three years; slow absorption of funds under European programmes and delayed implementation of the National Recovery Plan; recession in major trading partners (Germany) and a resulting decline in Bulgarian exports; the temporary deferral of IT initiatives caused by global

uncertainty (the “uncertainty pause”); reduced demand in the public sector in Bulgaria amid political uncertainty; and the economic challenges after Bulgaria’s entry into the euro area.

Probability / Impact: 3.5 / 5 (score 17.5, Control zone; previous review: 4 / 5)

Risk owner: Chief Executive Officer (CEO). **Next review:** March 2027.

Review 2025: The Group grew in a subdued macro environment: revenue rose by 30.8% to EUR 66.87 million (BGN 130.8 million) and EBITDA by 80.7% to EUR 5.35 million. According to Gartner (February 2026), global IT spending grew by 10% in 2025 (software 11.9%, IT services 6.5%) and is forecast to grow by 10.8% in 2026. Demand for IT solutions has so far proved resilient. Scores: likelihood 4 (2024: 5), impact 5 (2024: 4).

Update Q4 2026: Euro-area growth is low but positive and 2026 forecasts were raised: IMF 1.1% (Oct, +0.2 pp vs July), OECD 1.0%, ECB 0.9% for 2026 and 1.4% for 2027; Germany 1.3% (IMF). The IMF now puts the probability of world growth below 2% in 2027 at 10% (April: 20%). Likelihood eased to 3.5; the World Bank's 2.5% world figure (June) and the ECB severe scenario (2027 growth 0.4%) stop it falling further. Impact unchanged: about 80% of 2025 revenue is European and IT budgets slow first in a downturn. It is not raised because Gartner still sees global IT spending +14.2% in 2026.

Measures:

Diversification of the markets where the Group operates:

- by geography (Bulgaria, the Balkans, Europe, USA, Asia-Pacific region)
- by vertical (financial industry, insurance industry, healthcare, manufacturing, hospitality, logistics, etc.)
- by sub-segment (IT services, Software)

Through diversification, Sirma has the opportunity to shift the focus of its activity from difficult markets to more favorable ones operationally.

Market research and innovation

By studying the market situation and the needs of the customers, Sirma can quickly react to an unfavorable development in the economic situation. Innovations and hence, increased customer demand make the Group more resilient to economic shocks.

State support

In a situation of economic downturn, companies that operate in the relevant market often have the opportunity to use state support. Sirma investigates and takes advantage of such support when it exists.

1.2. Political risk

Definition: Political risk is the probability of deterioration of the market situation as a result of political decisions and/or a lack of timely ones. As a result, the environment in which business entities operate deteriorates, and investors are at risk of incurring losses.

Political risks have been abundant in recent years:

- Refugee waves
- Wars in Ukraine and the Middle East
- Geopolitical tension
- Trade wars, tariffs and protectionism
- Deepening geopolitical fragmentation

- Difficulties in logistics
- Terrorist attacks
- Legislative changes
- Political uncertainty in Bulgaria

Probability / Impact: 4 / 3 (score 12, Control zone; unchanged)

Risk owner: Chief Executive Officer (CEO). **Next review:** March 2027.

Review 2025: Bulgaria was politically unstable throughout the period: the government approved in January 2025 resigned in December 2025 after mass protests against the draft budget, a caretaker government served from February 2026, and early elections on 19 April 2026 produced a new government, elected on 8 May 2026. The wider environment of geopolitical tension and shifting trade and tax policies persists. In 2025, 80.5% of the Group's revenue came from Europe, 9.7% from North America and 7.9% from the United Kingdom, so no single political system determines the results, and growth continued. Scores: likelihood 4 (2024: 5), impact 3 (2024: 4.5).

Update Q4 2026: Unchanged. Bulgaria: the excessive deficit procedure was opened on 10 July and the government has ruled out revising the 5.7% deficit target (14 July) while promising a tighter 2027 budget, so fiscal-political friction continues under a government in office since May. Geopolitics: the Middle East war and Hormuz disruption are the base case in every institutional forecast, and the US effective tariff rate rose to 10.9% (OECD). Impact stays 3: no single political system drives results (2025 revenue: Europe 80.5%, North America 9.7%, UK 7.9%). Jucari adds operations in Australia, Singapore, Japan, China and South Africa; China is the main geopolitical exposure there. Regional security events (attacks on shipping, spillover, relocation) are scored separately in risk 2.12.

Measures:

Diversification of the markets where the Group operates:

- by geography (Bulgaria, the Balkans, Europe, USA, Asia-Pacific region)
- by vertical (financial industry, insurance industry, healthcare, manufacturing, hospitality, logistics, etc.)
- by sub-segment (IT services, Software)

Through diversification, Sirma has the opportunity to shift the focus of its activity from politically risk-affected territories to more operationally favorable ones.

Compliance with laws and good corporate governance.

Strict compliance with local laws, regulations, and corporate governance standards in all aspects of a company's activity can help minimize the risk of regulatory action and litigation.

1.3. Credit risk

Definition: Credit risk is the risk that a counterparty will not pay its obligation to the Company. The company is exposed to this risk in connection with various financial instruments, such as when granting loans, arising receivables from customers, depositing funds, and others. Sirma's exposure to credit risk is limited to the amount of the book value of the financial assets recognized at the end of each reporting period.

Probability / Impact: 2 / 2 (score 4, Reporting zone; previous review: 1 / 2)

Risk owner: Chief Financial Officer (CFO). **Next review:** March 2027.

Review 2025: Consolidated write-offs of receivables in 2025 were EUR 212 thousand and impairment of receivables was EUR 108 thousand (together EUR 320 thousand, about 0.5% of revenue). The 30.8% growth of revenue increases receivables in absolute terms, which will be watched in the next review. Scores: likelihood 1 (2024: 1), impact 2 (2024: 2).

Update Q4 2026: Raised. The EBRD reports rising bankruptcies in advanced EU economies (services, trade, construction), and receivables grow in absolute terms with 30.8% revenue growth and the consolidation of Jucari from September 2026. Offsets: the customer base is heavily financial-sector and 2025 write-offs and impairment together were about 0.5% of revenue. Impact unchanged.

Measures:

Limitation of exposure: The Company regularly monitors the execution/default of the obligations of its customers and other counterparties, whether determined individually or in groups, and uses this information to control credit risk.

Careful selection of counterparties: Where costs are not prohibitive, external credit rating data and/or financial statements of customers and other counterparties are obtained and used. It is the Company's policy to conduct transactions only with counterparties with a good credit reputation.

Strict documentary control: All transactions in the Group are carried out according to pre-concluded contracts, signed by authorized persons, which in turn are approved by Sirma's legal consultants. This documentary package protects the interests of the Group from the occurrence of credit risk.

Focus on activity: All financial claims of the Group are directly related to its activity. Sirma has not provided its assets as collateral for transactions other than as collateral for bank loans received.

Cash and cash equivalents: The credit risk regarding cash and cash equivalents is considered immaterial as the counterparties are banks with a good reputation and a high external credit rating.

Measurement: Overdue receivables of the Group are impaired and/or written off according to the Accounting Policy. Accordingly, credit risk is measured by the euro value of revaluations and write-offs during the year. This value is also compared to the total turnover. These values are also compared to historical values to determine increased or decreased risk.

1.4. Currency risk

Definition: This is the risk of a negative change in the exchange rate of one currency against another. Over 75% of the Company's transactions are carried out in euro. The Group's foreign transactions, mainly denominated in US dollars or pounds sterling, expose the Company to currency risk.

Probability / Impact: 2 / 2 (score 4, Reporting zone; previous review: 1 / 2)

Risk owner: Chief Financial Officer (CFO). **Next review:** March 2027.

Review 2025: Revenue from North America, the United Kingdom and Asia (18.7% of the total) is largely denominated in US dollars and pounds sterling. The sale of Sirma AB (Sweden) in August 2025 removed another non-euro exposure, and the adoption of the euro on 1 January 2026 removed the leva transactions. The US dollar fell by about 12%





against the euro in 2025; the Group's net short-term exposure at the end of 2025 was BGN 9.06 million in US dollars (about EUR 4.63 million) and BGN 0.77 million in pounds sterling (about EUR 0.39 million), and a ±7.7% move in the dollar changes the annual result by about EUR 0.32 million (BGN 0.63 million). Consolidated losses from currency revaluation in 2025 were EUR 288 thousand (about 0.4% of revenue). Scores: likelihood 1 (2024: 1), impact 2 (2024: 1.7).

Update Q4 2026: Likelihood raised. Jucari brings AUD, SGD, JPY, CNY and ZAR revenue and costs (year to 30 June 2026: revenue above AUD 6.7m, EBITDA about AUD 2m), consolidated from September 2026. Before that the exposure was mainly USD and GBP (net short-term USD position EUR 4.6m; a ±7.7% USD move changes the result by about EUR 0.32m). Currency moves are not hypothetical: the USD fell about 12% against the euro in 2025. Impact stays 2 (a 10% AUD move shifts the translated Jucari EBITDA by roughly EUR 0.1m, estimate).

Measures:

Control of cash flows: In order to reduce currency risk, the Group monitors cash flows that are not in euro. Risk management procedures are in place for short-term (up to 6 months) and long-term foreign currency cash flows. When the amounts to be paid and received in a certain currency are expected to offset each other, then no additional hedging is required, as is usually the case in the Company.

Measurement: currency risk is measured in euro as currency revaluations, which are compared to total turnover. These values are also compared to historical values to determine increased or decreased risk.

1.5. Interest rate risk

Definition: Interest rate risk is the risk of an increase in interest on borrowed funds and loans, compared to the originally agreed-upon ones. This is only possible for loans/contracts with a variable interest rate.

Probability / Impact: 4 / 2 (score 8, Monitoring zone; previous review: 3 / 2)

Risk owner: Chief Financial Officer (CFO). **Next review:** March 2027.

Review 2025: Borrowings at the end of 2025 were EUR 4.47 million (BGN 8.74 million) against EUR 3.21 million (BGN 6.28 million) a year earlier (+39%), and interest paid on loans rose to EUR 112 thousand (EUR 16 thousand in 2024). According to the Annual Report, the Group is not exposed to a significant risk of changes in market interest rates, because the rate on its investment loan did not change during the year and all other financial assets and liabilities carry fixed rates; a ±2.3% change in EURIBOR on floating-rate loans would change the annual result by about EUR 92 thousand (BGN 180 thousand). Scores: likelihood 3 (2024: 1), impact 2 (2024: 1).

Update Q4 2026: Likelihood raised to 4. The loan is on a floating rate (confirmed by the Company), so the ECB's 25 bp hike of 10 September (deposit rate 2.50%) feeds into interest cost at the next reset. ECB staff assume 3-month EURIBOR of 2.4% / 3.0% / 3.0% for 2026–28 (2027 +0.2 pp vs June) and 10-year yields rising to 4.0% by 2028, and the IMF flags higher term premia as a downside risk. Impact stays 2, provisionally: borrowings were EUR 4.5m at end-2025 and a ±2.3% EURIBOR move costs about EUR 92 thousand. Rule of thumb: every EUR 10m of floating debt costs EUR 100 thousand a year per percentage point.

Measures:

Limited credit exposure: The Group maintains limited credit exposure, which is repaid at the first liquid opportunity.

Measurement: the interest rate risk is measured by considering the euro value of all revalued credits during the year. This value is compared to the total turnover. These values are also compared to historical values to determine increased or decreased risk.

1.6. Liquidity risk

Definition: Liquidity risk is the risk that the Group will not be able to repay its obligations when they fall due. Such an event may result in penalty interest, full liability claims, and reputational damage.

Probability / Impact: 2 / 3 (score 6, Monitoring zone; previous review: 1 / 3)

Risk owner: Chief Financial Officer (CFO). **Next review:** March 2027.

Review 2025: Cash and cash equivalents at the end of 2025 were about EUR 6.8 million (BGN 13.3 million), down from EUR 7.8 million (BGN 15.2 million), while operating costs grew by 26% and the Group bore the costs of its dual listing (external services +41.8%). EBITDA remained positive at EUR 5.35 million. Scores: likelihood 1 (2024: 0.5), impact 3 (2024: 3).

Update Q4 2026: Raised, provisional. Cash was EUR 6.8m at end-2025 (EUR 7.8m a year earlier); the FY2025 dividend (EUR 0.86m) was paid from July 2026; the 51% stake in Jucari was financed from own funds and existing credit lines; put and call options over the remaining 49% imply a cash call in the medium term. Mitigants: EBITDA of EUR 5.35m in 2025 and Jucari's EBITDA from September. Impact unchanged.

Measures:

Control of cash flows: Sirma meets its liquidity needs by carefully monitoring the repayment plans of long-term financial obligations, as well as the inflows and outflows of cash arising in the course of operating activities. Liquidity needs are monitored for different time periods – daily, monthly, and weekly, as well as based on 30-day forecasts. Long-term liquidity needs - for periods of 180 to 360 days - are determined monthly. Cash needs are compared with available loans to determine surpluses or deficits. This analysis determines whether the borrowings available will be sufficient to cover the Company’s needs for the period.

Cash and Cash Equivalents: Sirma maintains cash and cash equivalents to meet its liquidity needs for a period of up to 30 days. Funds for long-term liquidity needs are provided through loans in the appropriate amount.

1.7. Inflation risk

Definition: Inflationary risk is a general increase in prices in which money depreciates, employee compensation must increase, while companies do not have the opportunity to compensate for this increase by increasing the prices of services and products they sell. Inflation risk could potentially cause Sirma to contract earnings or incur losses.

Inflationary pressure may also be fuelled by rising energy prices, monetary tightening and higher interest rates on loans, and by fluctuations in the prices of hardware, licences and AI infrastructure.

Probability / Impact: 5 / 5 (score 25, Control zone, critical; previous review: 4 / 5)

Risk owner: Chief Financial Officer (CFO). **Next review:** March 2027.

Review 2025: Bulgarian inflation stood at 3.5% year-on-year in December 2025 (HICP, National Statistical Institute), i.e. it remains elevated, and the geopolitical confrontation and regional conflicts keep supply chains under pressure. Sirma is particularly sensitive to this risk, because manpower is the main cost of IT services: personnel costs rose by about 21% to about EUR 27.1 million (BGN 53.1 million) in 2025. So far revenue growth (30.8%) has outpaced this increase. Scores: likelihood 4 (2024: 4), impact 5 (2024: 3.2).

Update Q4 2026: Raised to the maximum: the risk has materialised. Bulgarian HICP was 5.6% in September (flash) against 3.5% in December 2025, after a 6.3% peak in May; euro-area HICP was 3.8% (flash), above the ECB's projected 3.6% Q4 peak. IMF world inflation is 4.7% / 4.1%; the probability of 2027 global inflation above 5% was raised to 35% (April: 30%); the ECB severe scenario has 2027 HICP at 5.4%. Forecasts for Bulgaria's 2026 average (4.2–5.0%) imply roughly 6.4–6.8% in Q4. Impact stays 5: personnel costs (EUR 27.1m, +21% in 2025) are the main cost and wages follow inflation.

Measures:

Contractual protection: When significant inflationary pressure is expected, Sirma includes in its sales contracts an "inflation clause" that allows the adjustment of the agreed prices in accordance with the inflation index. This clause is mandatory for long-term contracts.

Flexible employment: In addition to its own employees with permanent employment relationships, Sirma regularly maintains additional employment from subcontractors. The latter provide the necessary flexibility of employment when inflationary pressure is established. In this way, Sirma has the opportunity to both compensate its employees for the corresponding price increase and contain the negative impact on the Group.

Price hike: Despite strong competition in the IT sector, amid strong inflationary pressure, Sirma has historically resorted to hiking in its prices as well. It may do so in the future.

Long-term supply contracts and strategic partnerships: Sirma seeks to maintain long-term supply contracts and strategic partnerships. They provide the Group with sustainable prices in turbulent market situations.

Shortening Supply Chains: Shortening supply chains by eliminating some of the middlemen helps Sirma, if not to reduce supply price levels, at least to maintain them during inflationary pressures.

Cost-cutting: Controlling costs and limiting/postponing less important ones during times of inflationary pressure, reduces the effect of inflation on the Group.

1.8. Risk of adverse changes in tax laws and tax practice

Definition: The taxation system in Bulgaria is still developing, as a result of which conflicting tax practices may arise at both the state and local levels.

Investors should also note that the value of an investment in shares may be adversely affected by changes in current tax law, including its interpretation and application.

In addition, tax legislation is not the only thing that can undergo a change, such a change can negatively affect the Group's operations. Although the majority of Bulgarian legislation has already been harmonized with EU legislation, the implementation of the law has come under criticism from Bulgaria's European partners. Judicial and administrative practice remains problematic: Bulgarian courts are unable to effectively

resolve disputes related to property rights, violations of legal and contractual obligations, and others, as a result of which systematic regulatory risk is relatively high.

Adverse changes in tax and other laws could lead to a deterioration in the general conditions in which the Company operates, from where, and to a deterioration in its future results. In particular, an increase in corporate income tax and other taxes and fees would reduce the bottom line available for new investment and/or for distributing dividends to its shareholders.

Probability / Impact: 3 / 4 (score 12, Control zone; unchanged)

Risk owner: Chief Financial Officer (CFO). **Next review:** March 2027.

Review 2025: The withholding tax on dividends remained at 5% (the FY2025 dividend was paid net of 5%), and the corporate income tax rate remained unchanged at 10%. The Annual Report 2025 itself points to uncertainty about the tax policy of the new government. No fines were imposed on any company of the Group in 2025 for compliance with its tax obligations. Scores: likelihood 3 (2024: 2.5), impact 4 (2024: 4).

Update Q4 2026: Unchanged. The draft 2027 tax package (announced 23 September) proposes no change to the 10% corporate tax or the 5% dividend tax in the reported text, and adds accelerated depreciation for AI, high-performance-computing and server equipment. Its one-off 33% excess-profits tax names banks, insurers, telecoms, food retail, exchange offices and payday lenders, not ICT. Adverse items for Sirma are minor: loss carry-forward capped at 70% of profit, benefit-in-kind rate on company assets used privately 3% to 7%, e-invoicing from 2028. It is a draft, and with the excessive deficit procedure, a 5.7% deficit and about EUR 1.4bn of revenue measures sought, the government has shown it will introduce new taxes.

Measures:

- Knowledge of and strict compliance with tax legislation
- Using the services of a reliable auditor for the Group

Measurement: fines imposed for non-compliance with tax legislation

1.9. Risk of force majeure

Definition: Force majeure events such as natural disasters, pandemics, sabotage, outbreaks of war, and acts of terrorism, as well as others, can lead to an unpredictable change both in the demand for IT services and products, as well as in the interest of investors in the shares of Sirma Group JSC. Some force majeure events do not provide for the possibility of insurance.

Force majeure events could seriously affect the Company's results by reducing its opportunities to conduct normal business activities and reflecting in the direction of an increase in expenses.

Events of this kind include the escalation of the wars in Ukraine and the Middle East, disruptions of production, trade and supply chains, a sharper-than-expected contraction of the Chinese economy and extreme climatic events (see also 1.10).

Probability / Impact: 5 / 3 (score 15, Control zone; unchanged)

Risk owner: Chief Executive Officer (CEO). **Next review:** March 2027.

Review 2025: The probability remains at the maximum (5): geopolitical conflicts and other events of a force majeure nature continue to affect the Group's environment, and their effects are not limited to a calendar year. The Group did not suffer direct losses

from force majeure in 2025, but indirect damages remain possible, for example when clients postpone IT investments because of such circumstances. Scores: likelihood 5 (2024: 5), impact 3 (2024: 3.5).

Update Q4 2026: Unchanged. Likelihood stays at the maximum: Hormuz disruption continues in all baselines (IMF oil assumption USD 95.74 in 2026); the OECD cites a 95% probability of a very strong El Niño (NOAA); the EBRD records record-low Danube and Rhine water that cut hydro and nuclear output by about a third. No direct losses in 2025; the impact on the Group is indirect (clients postponing IT investment), so impact stays 3.

Measures:

State support: In the event of certain force majeure events, it is possible to access targeted state aid for the affected companies. Sirma maintains the administrative capacity to take advantage of this.

Insurance: Some of the force majeure events are perceived as covered risks by the insurance companies. Such is the risk of fire, for example. Sirma is insured for all force majeure risks permitted by insurance companies.

Disaster recovery: Sirma maintains alternative access to its databases at its Headquarters and in its Data Center. In the event of force majeure at one address, the Group will continue to have access to its data from the alternate location.

Hybrid workplaces: Hybrid workplaces are now part of everyday life in the Group. They, in turn, make Sirma more resistant to force majeure events.

Sustainability Policy: A large proportion of force majeure events are the result of unsustainable practices of humanity in the past. Through its Sustainability Policy, Sirma makes targeted efforts to reduce the risks of unsustainable business practices.

Measurement: damages measured in euro that occurred as a result of force majeure.

1.10. Climate and ESG risk

Definition: Climate change and the regulatory, investor and customer response to it (sustainability reporting requirements, expectations of investors and ESG rating agencies, sustainability requirements of customers) may increase costs, limit access to customers or capital, or damage the reputation of the Group. Physical climate effects (extreme weather, disruptions of energy and infrastructure) may disrupt operations and those of the customers.

Probability / Impact: 3 / 1 (score 3, Reporting zone; unchanged)

Risk owner: Investor Relations and Sustainability Director. **Next review:** March 2027.

Review 2025: As an office-based IT group, Sirma has low direct emissions, so the exposure comes mainly from reporting obligations, sustainability questionnaires of customers and the expectations of investors, which rise with the dual listing on the Frankfurt Prime Standard. The Group is developing its sustainability policy and reporting. Scope 1+2 emissions were 710.5 tCO_2e in 2025 (727.5 in 2024). Scores: likelihood 3, impact 1.

Update Q4 2026: Unchanged. Nothing in the economic research changes the direct exposure of an office-based group (Scope 1+2: 710.5 tCO_2e in 2025). Extreme weather and energy-supply effects reach Sirma through energy prices and inflation, already

scored in 1.7 and 1.9. Customer and investor ESG requirements rise with the Frankfurt listing, but the sources reviewed show no case of a lost customer or financing.

Measures:

Sustainability policy and targets: the Group sets, monitors and reports sustainability targets under the supervision of the Investments, Risk and Sustainability Committee and the Audit Committee.

Data and reporting: collection of reliable sustainability data (energy, travel, offices, workforce) and disclosure aligned with the applicable reporting standards.

Supply chain: sustainability requirements towards suppliers and monitoring of changes in EU and national regulation.

Measurement: progress against the sustainability targets; number of customer or regulatory sustainability requirements that could not be met; ESG ratings, where available.

2. Unsystematic risks

Unsystematic (internal) risks are associated with general investment risks specific to the company itself or its industry. Unsystematic risks can be divided into two types: industry risk, concerning the uncertainty in the development of the industry as a whole, and company risk, arising from the specifics of the specific company.

2.1. Industry risk

Definition: The companies in the Group operate in the economic sector of information and communication technologies (ICT). Specifically, Sirma specializes in the “IT Services” and “Business Software” segments. The Group’s revenue and profit may be adversely affected by a number of factors linked to the financial market and ICT market conditions.

Probability / Impact: 1 / 5 (score 5, Reporting zone; unchanged)

Risk owner: Chief Executive Officer (CEO). **Next review:** March 2027.

Review 2025: According to Gartner (February 2026), global IT spending grew by 10% in 2025, of which software by 11.9% and IT services by 6.5%; the forecast for 2026 is +10.8% overall and +14.7% for software. Sirma’s revenue grew faster than the market (30.8%). The impact of the industry on the Group remains maximal (5). A risk factor is that the services segments (System Integration and IT Services) still generate about 64% of the Group’s revenue and are growing at about half the pace of software, while AI is changing the demand for services (see 2.9). Scores: likelihood 1 (2024: 0.5), impact 5 (2024: 5).

Update Q4 2026: Unchanged. Gartner (27 July): global IT spending USD 6.37tn, +14.2% in 2026 (April: +13.5%); software +15.5%, data-centre systems +62.5%, IT services +5.3% (+8.3% including IaaS). Gartner (16 September): AI spending +49.5% in 2026 and +36.2% in 2027 to USD 3.64tn. An industry-wide downturn remains very unlikely; impact stays at the maximum because the whole business depends on the sector. The structural threat from services growing slower than software and AI is scored in 2.9.

Measures:

Market monitoring: Sirma carefully monitors the state of the market where it operates, as well as forecasts for its future development. This is done through quarterly reports to the Board of Directors of the company.

Adaptability and innovation: Sirma invests in adaptability and innovation in its products and services. In this way, the Group is always abreast of emerging trends, technologies, and customer preferences and is ready to adjust its business strategies accordingly.

Diversification: Despite the two segments of specialization ("IT Services" and "Business Software"), Sirma strives for vertical diversification of its clients. This reduces the risk of a general decline in sales.

Measurement: The expected development of the specialization segments in the current and next years and monitoring the demand from the verticals served.

2.2. Specific company (customer) risk

Definition: Company/customer risk is related to the nature of the Company's activity, and it is important for any company that the return on invested funds and resources corresponds to the risk associated with the investment. The main company risk for Sirma is related to the possibility of reducing the solvent demand for the products and services offered by the Group, as well as in changing the terms of sale of these products and services. Company risk may have a negative impact on contract growth for software development and delivery services.

Probability / Impact: 3.5 / 4 (score 14, Control zone; previous review: 3 / 4)

Risk owner: Chief Executive Officer (CEO). **Next review:** March 2027.

Review 2025: Demand in 2025 was strong (revenue +30.8%), and the customer base is diversified by region (Europe 80.5%, North America 9.7%, United Kingdom 7.9%, Asia 1.2%) and by sector (concentration is assessed separately in 2.10). The loss or the budget cut of a major client would still hit individual projects hard, but not the Group as a whole. Scores: likelihood 3 (2024: 3.5), impact 4 (2024: 4.3).

Update Q4 2026: Likelihood raised to 3.5. Euro-area business investment fell 0.1% q/q in Q2 (ECB). In Bulgaria, the excessive deficit procedure and the 5.7% deficit target imply tighter public budgets, and the EU Recovery and Resilience Facility ended in August 2026, which the EBRD expects to slow growth in Central Europe and the Baltics from 2.9% to 2.5% in 2027 and to cut public digital investment. Private IT demand is strong (Gartner) and the customer base is diversified, so impact stays 4.

Measures:

Long-term business relationships: Building long-term business relationships with customers makes sales revenue more sustainable. Sirma will aim to do more "repeat business" (new business with old customers).

Open dialogue with customers: Maintaining an open and transparent dialogue with customers could reduce or prevent the surprise of difficulties occurring in any of the verticals of specialization. The dialogue can also suggest ways to reduce such risk.

Measurement:

Uncertainty can be measured by the variability of income received over time. This means that the more variable and more volatile the income, the greater the uncertainty that the company will realize a positive financial result, i.e., the risk for investors, and creditors will be higher.

Repeat Business: The percentage of new business that is done with old customers.

2.3. Operational risk

Definition: Operational risk is the risk of loss arising from inadequate or malfunctioning internal processes, people, and systems, and/or malicious influence from external interference. Operational risks are related to the management of the company and can be expressed in the following ways:

- making wrong decisions about the current management of the company's investments and liquidity by the management staff;
- the inability of the management staff to start the implementation of planned projects or the lack of suitable personnel for this;
- legal risk;
- departure of key employees and inability to appoint new adequately qualified experts;
- internal fraud, unauthorized access, and unauthorized transactions;
- breach in cyber security, crash in operating systems, malware, data leakage;
- risk related to the compliance and legality of operations;
- risk of a complete collapse of the activity as a result of an external phenomenon.

Probability / Impact: 4 / 4 (score 16, Control zone, critical; unchanged)

Risk owner: Chief Executive Officer (CEO). **Next review:** March 2027.

Review 2025: No lawsuits against the Company were pending in 2025 (Annual Report). No security breaches, fraud, abuse, legal losses or non-compliance fines were recorded in 2025 (Sustainability Report 2025: no cybersecurity incidents detected, no cases of corrupt practices, no violations or fines by supervisory authorities). Training costs rose by 25% to EUR 177,500; 1,322 employees attended external courses and seminars (+30%), and Sirma Academy trained 512 external students (+51%), with more than 500 employee participations in internal training. Sirma continued to measure and manage the sustainability of its development, and the dual listing in Frankfurt raised the requirements to internal processes and reporting. Growth of 30.8% with a smaller increase of personnel costs (about 21%) puts additional load on processes and people; the ability to find and retain quality personnel remains the key (see 2.8). Scores: likelihood 4 (2024: 3.5), impact 4 (2024: 4).

Update Q4 2026: Unchanged, with a new driver. Jucari (about 50 people, operations in five countries, CargoWise-centred delivery) must be integrated while the Group absorbs +30.8% growth, wage inflation and the reporting load of the Frankfurt listing. The Policy already notes that growth strains processes and people. No incidents, fraud or fines were recorded in 2025.

Measures: Various mechanisms will be used to optimize and manage risk, which include the following main areas:

- reasonable investment policy;
- development of the company's committees and the increase of their expert potential;
- due legal formalization of all transactions;
- optimizing the structure, quality, and return of the Company's assets;
- improvement of internal regulations, procedures, and instructions and the involvement of all personnel in their implementation;
- systematic training and qualification of employees and attraction of talents;

- development of cyber security measures and protection from adverse and malicious external factors and attacks;
- strict and comprehensive internal control;
- development and improvement of disaster recovery measures;
- development and implementation of all measures of the Sustainability Policy/Strategy.

Measurement:

- Number of cyber security breaches during the year;
- Number of lost court cases during the year;
- Fines imposed for non-compliance during the year;
- Employee training costs - total amount and costs per employee;
- Average duration of employment relationships – measured in years and months;
- All measures from the Sustainability Policy/Strategy.

2.4. Protection of intellectual property

Definition: Safeguarding and protecting the Group's intellectual property is critical to its success. Despite efforts to protect its intellectual property, the Group may not be able to prevent third parties from using or selling without permission what it considers to be its proprietary technology. Any intellectual property may be vulnerable to disclosure or misuse by employees, partners, or third parties. Third parties may independently develop technologies that are substantially equivalent to or superior to the Company's technologies. In addition, a third party may re-engineer or otherwise obtain and use technology and information that the Group claims to be its own. In this regard, the Company may not be able to protect its proprietary rights against unauthorized copying or use by a third party, which could have an adverse effect on its competitive and financial position and lead to a decline in sales. In addition, the laws and courts of some countries may not offer an effective remedy for intellectual property rights.

Probability / Impact: 2 / 2 (score 4, Reporting zone; unchanged)

Risk owner: Chief Legal Counsel. **Next review:** March 2027.

Review 2025: No violations of the Group's intellectual property were registered in 2025. The growing use of generative AI in software development raises new questions about the ownership and licensing of generated code; this is taken into account but does not change the score for now. Scores: likelihood 2 (2024: 2), impact 2 (2024: 2).

Update Q4 2026: Unchanged. No violations in 2025. Jucari's proprietary products and SaaS (above 50% of its revenue) enlarge the IP base, and ownership of AI-generated code remains legally open, but neither has produced an incident.

Measures: Sirma uses a variety of means to identify and control potential risks and to protect its intellectual property. Such are:

Applying for patents, trademarks, and registering other trademarks and copyrights to prevent copyright and trademark infringement.

Diversification of the Group's verticals of specialization, and hence diversification of intellectual property.

2.5. Risk of entering into transactions with related parties at prices other than market prices

Definition: Sirma Group JSC is part of an economic group. The risk of carrying out transactions with the enterprises of the Group, the conditions of which may differ from the market ones at the time of the transaction and are economically detrimental to any company within the Group.

Probability / Impact: 1 / 1 (score 1, Reporting zone; unchanged)

Risk owner: Senior Vice Presidents. **Next review:** March 2027.

Review 2025: No transactions between related parties on non-market terms were reported in 2025 (Annual Report 2025, section 5.10). Scores: likelihood 1 (2024: 0.5), impact 1 (2024: 0.5).

Update Q4 2026: Unchanged. No non-market related-party transactions in 2025. Jucari's founder keeps 49% and holds put and call options, so transactions with Jucari must be priced at arm's length, but there is no evidence of non-market terms.

Measures: This risk is eliminated to the extent that the Company strives to maintain a transparent policy in connection to the treatment of related companies. To the extent that there are transactions in the economic group, they are concluded under standard market conditions at the given time of the transaction and do not extraordinarily benefit any of the parties.

Measurement: Identified transactions between related parties at prices that differ from market prices.

2.6. Risk of devaluation of the company's assets

Definition: Asset devaluation risk is associated with the possibility of reducing the balance sheet value of the Company's assets. Any impairment of long-term tangible and/or intangible assets would lead to the need to post a loss from this impairment. This, in turn, may worsen the future financial results of the Company as well as lead to the realization of a final negative financial result for a given annual period. This, in turn, leads to the risk of not being able to distribute a dividend to the existing shareholders at that future time, as well as a possible decrease in the market price per share of the Company due to the deteriorating financial indicators.

Probability / Impact: 3 / 3 (score 9, Monitoring zone; unchanged)

Risk owner: Chief Financial Officer (CFO). **Next review:** March 2027.

Review 2025: The risk of market realisation of the older assets in the portfolio is preserved. Scores: likelihood 3 (2024: 2.7), impact 3 (2024: 4).

Update Q4 2026: Unchanged, provisional. Jucari adds goodwill and intangibles; the purchase-price allocation will appear in the consolidated statements. Higher rates (1.5) and the IMF's warning of a repricing of AI-related profit expectations are valuation pressures; the older-asset risk from the 2025 review remains.

Measurement: the amount of impairment of assets during the year relative to profit before tax for the same year.

2.7. Cybersecurity and data protection risk

Definition: The risk of unauthorised access, ransomware, leakage or loss of data, and service outages in the Group's own systems or in the solutions it delivers and operates

for customers, including the risks arising from the use of AI tools. The Group is also exposed to the related legal obligations (GDPR; and, as an ICT provider to financial institutions, the requirements passed on under the DORA Regulation applicable since 17 January 2025).

Probability / Impact: 3.5 / 5 (score 17.5, Control zone; previous review: 3 / 5)

Risk owner: Chief Operating Officer (COO). **Next review:** March 2027.

Review 2025: A significant part of the Group's customers are financial-sector operators, whose own regulatory requirements are passed on to Sirma as an ICT provider. A successful attack would affect not only the Group's operations but also the trust of its customers. According to the Sustainability Report 2025, no cybersecurity incidents were detected in 2025, and no violations or fines were found by supervisory authorities. Scores: likelihood 3, impact 5.

Update Q4 2026: Likelihood raised to 3.5. ENISA Threat Landscape 2026 (22 September; 8,257 incidents in 2025): vulnerability exploitation drove 60.4% of unauthorised-access cases and ransomware about 40% of financially motivated activity. Its central theme is that compromise of one IT supplier cascades to many customers, and that AI lowers the cost of phishing and supply-chain reconnaissance. Sirma is an ICT provider to financial institutions (DORA). Impact stays 5. No incidents were detected in 2025.

Measures:

Information security management: access control, backups, vulnerability management, regular penetration testing and an incident response plan.

People: regular security and data-protection awareness training; rules for the use of AI tools and for the processing of customer data.

Third parties: security assessment of critical suppliers; data-protection governance under the Group's Privacy Policy.

Measurement: number and severity of security incidents and personal-data breaches; time to detect and to recover; share of employees trained; share of critical findings closed within the deadline.

2.8. Key personnel and talent risk

Definition: The risk of losing key managers and experts, of difficulty in attracting and retaining qualified IT specialists, and of pressure on salaries. The pool of qualified specialists in Bulgaria is shrinking for demographic reasons, and competition from international employers and from remote work for foreign companies is strong. Insufficiently effective policies for engagement, development, diversity and inclusion may increase turnover.

Probability / Impact: 3 / 3 (score 9, Monitoring zone; previous review: 4 / 5)

Risk owner: Chief Talent Officer. **Next review:** March 2027.

Review 2025: Personnel costs rose by about 21% to about EUR 27.1 million (BGN 53.1 million) in 2025, which shows the pressure on salaries and the scale of the workforce on which the Group depends. The average headcount in 2025 was 826 (including 62 external staff); 113 people joined and 106 left, i.e. staff turnover of about 13% of the average headcount. Training costs rose by 25% to EUR 177,500. On 9 April 2025, 400,000

treasury shares were sold to employees. The ability to find and retain quality personnel is the key factor for the Group's growth. Scores: likelihood 4, impact 5.

Update Q4 2026: Lowered to 3 / 3 (previous review: likelihood 4, impact 5) on AI adoption: AI use in development and delivery reduces dependence on individual specialists and the time needed to replace staff, and all Sirma offerings are AI-focused. Relocation and remote-work capabilities (confirmed by the Company) and 38% recurring revenue also help. Not lower, because the pressure remains: Bulgarian HICP 5.6% (September), unemployment of 3.4% (IMF; KBC 3.8%), 2025 staff turnover of about 13%, personnel costs up 21%, and the dependence of the acquired Jucari business on its founder and about 50 staff, which the put and call options only partly address.

Measures:

Sirma Academy and training: own training programmes and internships for new specialists and upskilling of existing ones.

Retention: competitive remuneration and employee share ownership.

Continuity: succession planning for critical roles and documentation of key knowledge.

Measurement: voluntary staff turnover; time to fill vacancies; share of critical roles with a named successor; training spend per employee.

2.9. Technology disruption and AI risk

Definition: The risk that the rapid development of artificial intelligence and other technologies reduces the demand for and the prices of traditional software development and integration services, shortens the life cycle of products, or enables new competitors, as well as the risk that the Group fails to invest in time in new products and skills.

Probability / Impact: 3.5 / 5 (score 17.5, Control zone; previous review: 3 / 5)

Risk owner: Chief Executive Officer (CEO). **Next review:** March 2027.

Review 2025: Services still generate the larger part of the Group's revenue (System Integration and IT Services together about 64%), while the market for software grows almost twice as fast as the market for IT services (Gartner, February 2026: 11.9% and 6.5% for 2025; software forecast 14.7% for 2026). The Group is moving towards products, including the Sirma.AI Enterprise platform; recurring revenue was 38% of the total in 2025. This transition is under way but not completed. Scores: likelihood 3, impact 5.

Update Q4 2026: Likelihood raised to 3.5. In Gartner's AI forecast most of the money goes to infrastructure (USD 1.48tn of 2.67tn in 2026) and software (0.46tn); AI services (0.58tn) were cut by 1.4 pp against May because buyers favour AI embedded in existing software and smaller incremental projects. IT services grow +5.3% against software +15.5%, and services are about 64% of Group revenue (2025). Mitigants: all Sirma offerings are AI-focused (Sirma.AI Enterprise included) and recurring revenue was 38% in 2025. Impact stays 5.

Measures:

Product strategy: investment in the Sirma.AI platform and in recurring-revenue products.

Use of AI in delivery: use of AI tools to raise productivity and quality of projects.

Skills and partnerships: upskilling of the workforce and partnerships with technology vendors.

Measurement: share of recurring and product revenue (38% in 2025); investment in AI and product development; share of projects delivered with AI tools.

2.10. Customer and geographic concentration risk

Definition: The risk of excessive dependence of revenue on a small number of customers, on one sector (in particular financial institutions) or on one region. It is distinct from the risk of individual customers (2.2): here the concern is the structure of the portfolio.

Probability / Impact: 2 / 4 (score 8, Monitoring zone; unchanged)

Risk owner: Chief Executive Officer (CEO). **Next review:** March 2027.

Review 2025: In 2025, 80.5% of revenue came from Europe, 9.7% from North America, 7.9% from the United Kingdom and 1.2% from Asia. By segment, System Integration generated about 42% of revenue, IT Services 22%, Financial Industry 13%, Strategic Development 12%, Hospitality 8% and Manufacturing 3%. According to the Fact Sheet, in the first half of 2026 the largest customer accounted for 9.4% of revenue, the five largest for 26.6% and the ten largest for 36.3% (the Annual Report 2025 does not disclose this indicator). Scores: likelihood 2, impact 4.

Update Q4 2026: Unchanged. Jucari diversifies geography (Asia was 1.2% of 2025 revenue; Jucari operates in Australia, Singapore, Japan, China and South Africa) but adds concentration on one vertical (logistics) and on the CargoWise ecosystem, where Jucari is a Platinum partner. Europe was 80.5% of 2025 revenue; in H1 2026 the largest customer was 9.4% and the ten largest 36.3% of revenue.

Measures:

Diversification: by region, by vertical and by type of revenue (see 1.1).

Contracts: longer-term and framework contracts with key customers.

Limits: internal threshold for the share of one customer in revenue, to be approved by the Board of Directors.

Measurement: share of the largest customer and of the ten largest customers in revenue; share of the largest segment and region.

2.11. Regulatory and compliance risk

Definition: The risk of breaching, or of costs from changes in, the laws and rules applicable to the Group: regulation of the financial sector and of ICT providers (DORA), data protection, labour law, sustainability-reporting requirements (CSRD/ESRS), the EU Artificial Intelligence Act, market-abuse and listing rules (Bulgarian Stock Exchange and Frankfurt Stock Exchange), anti-corruption, whistleblowing, sanctions, responsible procurement and the timely disclosure of regulated information to investors.

Probability / Impact: 3 / 3 (score 9, Monitoring zone; unchanged)

Risk owner: Chief Legal Counsel. **Next review:** March 2027.

Review 2025: No lawsuits against the Company were pending in 2025 (Annual Report). The dual listing on the Frankfurt Prime Standard in 2026 brings additional transparency and reporting requirements, and the obligations under the EU Artificial Intelligence Act are being phased in. The Group applies its anti-corruption, whistleblowing, privacy and human-rights policies. Scores: likelihood 3, impact 3.

Update Q4 2026: Unchanged: two effects offset. The EU AI Act (Regulation (EU) 2024/1689) is law and has applied in stages since it entered into force on 1 August 2024: prohibitions from February 2025, general-purpose AI duties from August 2025 and the transparency obligations (Art. 50) from 2 August 2026. The digital omnibus (reported as adopted) only postpones the start of the Annex III high-risk obligations to 2 December 2027, which gives time. Added load: DORA, GDPR, CSRD and Frankfurt listing duties continue, and Jucari brings the Australian, Singaporean, Japanese, Chinese and South African regimes, including data and AI rules.

Measures:

Compliance framework: the Group's policies and procedures, kept up to date with changes in the law.

Legal oversight: monitoring of new regulation by the legal advisers; review of significant contracts and products.

Training: regular training of employees in the key compliance areas.

Measurement: number of regulatory breaches, fines and proceedings (target: none); share of employees who completed compliance training.

2.12. Regional security and business continuity risk

Definition: The risk that armed conflict, hybrid or cyber campaigns, attacks on infrastructure or shipping, or the response to them in the region where most of the Group's workforce is based (Bulgaria and Romania) disrupt the safety of employees, delivery capacity, client confidence or the continuity of the Group's operations. It covers physical and security events; the political and policy effects of the same events are covered by risk 1.2.

Probability / Impact: 3 / 4 (score 12, Control zone; new risk)

Risk owner: Chief Operating Officer (COO). **Next review:** March 2027.

Assessment Q4 2026: Added in the Q4 2026 extraordinary review. Trigger: between 5 and 13 October 2026 drones hit five commercial ships in the Black Sea economic zones of Romania (one ship, two crew dead) and Bulgaria (four ships; the Alfa Watan sank with its 10 crew unaccounted for). Neither government has formally attributed the attacks: Ambrey assesses Russia as highly likely for three of them, Ukraine blames Russia, and Bulgaria's Prime Minister says only that logic points to Moscow. Most of the Group's workforce is in Bulgaria and Romania, so the cost and delivery base sits in the affected region, unlike revenue (Europe 80.5% in 2025). Likelihood 3: a state attack on Bulgarian or Romanian territory is unlikely in the next twelve months, because the strikes target Ukraine-linked shipping, outside territorial waters and below the NATO Article 5 threshold; but spillover is plausible. Drones have already entered Romanian airspace, hybrid and cyber pressure usually accompanies such campaigns, and Bulgaria's Prime Minister has warned that the war will keep widening. Impact 4, not 5: the Company has relocation and remote-work rules and capabilities (confirmed by the Company), which limit the loss of delivery capacity. What remains is client confidence in the region, staff morale and attrition, hiring, relocation cost and the slowdown while people move; impact stays below 5 only while these capabilities work at scale, which a full-scale drill would confirm. No client has raised the matter yet. Score 12 is the Control zone, not Critical, because likelihood is below 4. Risk 1.2 is unchanged to avoid double counting; this risk covers physical and security events.

Measures:

Ownership and early-warning indicators: a named risk owner and a short list of indicators reviewed monthly – government and NATO statements, airspace closures, insurance and energy prices.

Relocation and remote work: the Group's existing relocation and remote-work rules and capabilities, tested by a full-scale drill to confirm that delivery capacity holds at scale.

Client communication: a prepared message to clients on the continuity of services.

Contracts and insurance: a check of war and force-majeure wording in client contracts and in the Group's insurance cover.

Measurement: time to restore delivery capacity in the drill; share of staff able to work remotely; number of client enquiries on regional security.

3. Risk factors specific to the shares subject to exchange trading

Risk when investing in securities is associated with uncertainty and the impossibility of accurately predicting future effects and influencing the expected return from the investment.

The main risk and uncertainty for the shareholders of Sirma Group JSC is the probability that their investment in the company's shares will not retain its value, as well as not generate the return expected from them due to a decrease in the price of the shares or a lack of other income (dividends). from them.

Sirma Group JSC informs potential investors that investing in shares is associated with certain risks. Investors should carefully read and consider the risks associated with investing in shares of the current issue before making an investment decision.

Sirma Group JSC strives to maintain a low risk profile by maintaining low levels of financial and operational leverage, a high level of operational efficiency, the introduction of strict rules and procedures in the management of the activity and strict control for their compliance, and diversifying the client base and suppliers.

The above makes the company resistant to external negative shocks, but nevertheless, in its activity, it encounters significant risks that can negatively affect the company's results.

3.1. Price risk

Definition: Changes in the price of the shares of Sirma Group JSC can be caused both by the fundamental condition of the Group - current and expected results of the activity and the respective financial results, and by the economic and market conditions in Bulgaria or the market and economic conditions in the global economy.

Shareholders should bear in mind that it is possible that events may occur that cause sharp fluctuations in the market prices of the shares, such as have previously occurred in the Bulgarian capital market and in the international financial markets, and that such fluctuations are likely to affect in an unfavorable direction the price of the shares of Sirma Group JSC.

The market value of the shares will be determined based on supply and demand, and the price of the shares may rise or fall. These price "fluctuations" can cause a security to be worth much less at one time than the value at which it was purchased. This price dynamic is particularly characteristic of the common stock market, whose exchange prices can be

subject to sharp fluctuations as a result of publicly disclosed information about the Company's financial results, changes in legislation, and other significant events.

A significant number of sales of the shares of Sirma Group JSC for a certain period of time may have an adverse effect on maintaining the level of their price. Such an event would result from a significant excess of sellers of these shares over buyers during that period. At this time, the issuer or a third party is not committed to maintaining a specific price level, and a significant number of sales may result in a reduction of this level.

The Company does not guarantee to investors that the price of its shares will remain stable and/or increase in value in the future. At the time of preparation of this document, Sirma Group JSC or, as far as the company is aware, other persons do not intend to buy back the Company's shares in order to preserve and/or increase the market price of the Company's shares.

Probability / Impact: 4 / 4 (score 16, Control zone, critical; previous review: 3 / 4)

Risk owner: Investor Relations and Sustainability Director. **Next review:** March 2027.

Review 2025: In 2025 the price of SIRM shares rose by 98.61% to BGN 1.89 (EUR 0.97) while SOFIX rose by 29.54%; SIRM was the best performer among the SOFIX components. After such a rise, the risk of a correction is higher, and BSE liquidity remains limited (see 3.2); the dual listing on the Frankfurt Prime Standard in 2026 broadens the investor base. Scores: likelihood 3 (2024: 2.7), impact 4 (2024: 3.5).

Update Q4 2026: Likelihood raised to 4: the risk has materialised. Central Depository register (daily volume-weighted BSE price): SIRM traded around EUR 1.00 in the first week of January, peaked at EUR 1.40 on 12 January, fell to EUR 0.70 on 24 August (−50%) and was about EUR 0.80 in week 40, which is 18% below the end-2025 price (EUR 0.97) and 43% below the peak. Annualised volatility of daily prices is about 44%. After +98.6% in 2025 this is the correction the previous review warned of. The ECB hike and the IMF's warning on AI-related profit expectations weigh on technology valuations. Support: the Company bought 64,452 own shares in June–July 2026 (average EUR 0.79) under a buyback programme authorised by the General Meeting, Sirma Group Holding AD was a net buyer of about 247,000 shares in 2026, and the Frankfurt listing broadens the investor base. The ten largest holders control 59.0% of capital and nine of them did not change position in Q3; founders and managers as a group sold a net 0.39% of capital in the quarter, so there is no sign of heavy insider selling. Impact stays 4. Both parameters are now at least 4, so the risk is critical under Art. 3 and is reported to the Board.

Measures:

Shareholder awareness: Sirma makes every effort to inform its shareholders of the existence of this risk;

Maximum transparency and accountability: Sirma regularly discloses complete information on the Group's development and financial results. The awareness of all interested parties is maintained at the required level.

Buy-back program: within the framework of the opportunities permitted by the regulatory framework, Sirma implements the buy-back of its own shares. These purchases somewhat counteract the price risk.

Measurement: price risk is measured by the price dynamics of SIRM.

3.2. Liquidity risk

Definition: The liquidity risk is directly related to the liquidity of the securities market itself and expresses the potential opportunity to buy or sell in short terms and the usual volumes of the given securities in the secondary market. The liquidity of the issue depends on the number of investors who will show interest in investing in it. The liquidity risk of the shares will also depend on the development of the equity securities market in terms of the volume and variety of instruments offered, the financial condition of the issuer, the ability of the local capital market to attract new investors, etc.

Investors should note that the BSE is significantly smaller and less liquid than the securities markets of most developed economies. Thus, for the shareholders of Sirma Group JSC, there is no guarantee that the listing of the Company's shares on the BSE will guarantee their active trading and sufficient liquidity.

Probability / Impact: 5 / 3 (score 15, Control zone; previous review: 4 / 2)

Risk owner: Investor Relations and Sustainability Director. **Next review:** March 2027.

Review Q4 2026: BSE liquidity remains limited. The figures for SIRM cover the last four quarters and combine BSE trading (daily statistics from Investor.bg, cross-checked with the Central Depository register) with trading on Xetra and the Frankfurt floor (finanzen.net), which began on 24 February 2026; Wiser Technology AD (formerly Bianor Holding; code WISR; market capitalisation EUR 31.8 million against EUR 43.9 million for SIRM) and Shelly Group (code SLYG; EUR 1,189 million) are shown for Q3 2026, together with Softing AG (Prime Standard in Frankfurt, EUR 26 million) as a German small-cap peer. Trading in SIRM was front-loaded: in Q1 the median daily value traded was EUR 32.3 thousand, and in Q2 and Q3 it fell to EUR 7.5 and EUR 9.0 thousand. In Q3, 38% of sessions had less than EUR 5,000 traded, and a EUR 250,000 position would take about 140 sessions to sell at 20% of the median daily volume (Wiser Technology: 376; Shelly Group: 4).

Indicator	SIRM Q4 2025	SIRM Q1 2026	SIRM Q2 2026	SIRM Q3 2026	Wiser Technology Q3 2026	Shelly Group Q3 2026	Softing Q3 2026 (Xetra)
Median daily value traded (EUR)	8,892	32,306	7,452	8,963	3,326	295,396	195
Sessions with less than EUR 5,000 traded	27.1%	3.2%	32.8%	38.1%	57.1%	0.0%	87.9%
Annualised turnover, % of share capital	15.7%	18.4%	5.4%	7.6%	5.0%	13.0%	2.0%
Annualised turnover, % of free float	26.1%	30.6%	9.0%	12.8%	9.0%	44.0%	5.3%
Days to sell EUR 250,000 at 20% of median daily volume	141	39	168	139	376	4	n/m
Relative bid-ask spread (BSE), 16 Oct 2026	n/a	n/a	n/a	3.8%	2.4%	0.3%	5.4%

Notes: (1) The median and the share of sessions are calculated over all sessions of the quarter on which SIRM or a comparison share traded on the BSE or in Germany (59, 62, 61 and 63), counting sessions without trades as zero. SIRM: BSE plus Xetra and the Frankfurt floor (from 24 February 2026; no German trading in Q4 2025); Shelly Group: BSE plus Xetra and the Frankfurt floor (66 sessions in Q3); Wiser Technology: BSE only. (2) Turnover is annualised on 252 sessions; the free float is as published by the

BSE (holders below 5%): SIRM 59.9%, Wiser Technology 55.7%, Shelly Group 29.5%. (3) The threshold is a value, not a number of shares, so it is comparable between companies with different share prices. (4) The spread is the best bid and ask on 16 October 2026 relative to the mid price, a single observation and not a quarterly average. (5) Softing: Xetra volume only (66 sessions), free float 37.2%, spread from a quote on 16 October 2026; n/m = not meaningful, because the median is close to zero. Sources: Bulgarian Stock Exchange (via Investor.bg and x3analytics); finanzen.net (Xetra and Frankfurt, Softing); Central Depository register.

SIRM turnover relative to the free float (12.8% annualised in Q3, including German trading) is in line with Wiser Technology (9.0%) and far below Shelly Group (44.0%, boosted by the takeover offer announced on 24 September), but in absolute terms SIRM trades thinly: the bid-ask spread on 16 October was 3.8% against 2.4% for Wiser Technology and 0.3% for Shelly Group. In week 40, 132,780 shares traded on the BSE against 21,953 on Xetra and Frankfurt (about 17% of the BSE volume), so the German listing adds depth but not yet much. The five largest sellers made about 27% of 2026 volume, and nine of the ten largest holders (59.0% of capital) did not change position in Q3. Scores: likelihood raised from 4 to 5, because the risk has materialised (median daily value EUR 9.0 thousand, 38% of sessions below EUR 5,000, about 140 sessions to sell EUR 250,000). Impact raised from 2 to 3, because illiquidity limits the participation of institutional investors and the use of shares as a financing instrument, and amplifies the price risk (3.1); not higher, because operations are not affected, the Frankfurt listing and the buyback partly offset it, and the closest peer by size, Wiser Technology, is less liquid (57% of sessions below EUR 5,000). Score 15, Control zone.

Measures:

Dual Listing: A measure taken by the Company to reduce liquidity risk was the dual listing of the Company's shares, both on the Bulgarian market and on the Frankfurt Stock Exchange.

Buyback: Sirma can counteract this risk (and to the extent possible) through share buybacks.

Measurement: median daily value traded on the BSE and Xetra combined (EUR); share of sessions with less than EUR 5,000 traded; annualised turnover as a share of capital and of the BSE free float; average relative bid-ask spread; days needed to sell a EUR 250,000 position at 20% of median daily volume. Indicators are calculated quarterly and compared with the previous four quarters.

3.3. Inflation risk

Definition: The manifestation of the inflation risk for the shareholders of Sirma Group JSC would occur in cases where the income from the shares (price increase and/or received dividends) is less than the inflation for the investment period. Inflationary processes lead to a decrease in the real yield that investors receive.

Although in the long term the return on shares usually outpaces inflationary processes in Bulgaria and other countries with a developed market economy, there are no guarantees for investors in shares of Sirma Group JSC that their investment in shares of the Company will represent real protection against inflation.

Probability / Impact: 3 / 2 (score 6, Monitoring zone; previous review: 2 / 2)

Risk owner: Investor Relations and Sustainability Director. **Next review:** March 2027.

Review 2025: Inflation in Bulgaria was 3.5% year-on-year in December 2025 (HICP). The dividend paid in 2025 for FY2024 was EUR 0.0102 (BGN 0.02) per share, while the

share price rose by 98.61% over the year – the real return of the investment in SIRM was therefore clearly positive and the risk did not materialise. Scores: likelihood 2 (2024: 2.5), impact 2 (2024: 2.5).

Update Q4 2026: Likelihood raised to 3. Inflation is far above the level of the previous review (Bulgaria 5.6% against 3.5%; euro area 3.8%), and the share has not offset it: at about EUR 0.80 (week 40) it is 18% below the end-2025 price of EUR 0.97, so with the EUR 0.015 dividend the 2026 total return is about −16% against inflation of 5.6%. The real return so far is negative. Impact stays 2.

Measures:

- Shareholder awareness
- Management transparency
- Strict compliance with the Dividend Policy

Measurement: the ratio between the annual yield (price increase/decrease + dividend) of SIRM shares and annual inflation.

3.4. Risk of dilution of share value

Definition: According to the Articles of Association of the Company, there are no restrictions on the maximum amount of future share issues. For this reason, the amount of shareholders' participation may be reduced as a result of a public offering if they do not exercise their rights and subscribe a proportionate share of the new shares. In the event that, as a result of a future public offering, the number of issued shares of the Company increases at a faster rate than the size of the assets of the same, it is possible to reach a decrease in the value of the assets per share of the Company.

Probability / Impact: 1 / 3 (score 3, Reporting zone; unchanged)

Risk owner: Chief Financial Officer (CFO). **Next review:** March 2027.

Review 2025: No new shares were issued in 2025; the Company's capital consists of 59,360,518 shares. The sale of 400,000 treasury shares to employees at EUR 0.51 (BGN 1.00) per share on 9 April 2025 did not dilute the value of the shares. The strategy of growth through acquisitions creates the possibility of future issues of shares. Scores: likelihood 1 (2024: 1.3), impact 3 (2024: 2.7).

Update Q4 2026: Unchanged. Jucari was financed from own funds and credit lines, not new shares. The put and call options over the remaining 49% and the acquisition strategy keep a future issue possible, but none is indicated in the sources. The register shows the opposite movement: the Company is buying back its own shares under a programme authorised by the General Meeting.

Measures: N.A.

Measurement: availability of new issues of SIRM shares

3.5. Currency risk

Definition: The current SIRM issue is denominated in euro (since January 1, 2026). Currency risk of the investment exists for investors whose funds are in US dollars or other currency other than euro, due to constant movements of exchange rates. Investors who assume currency risk when purchasing the current issue would increase or decrease the effective return on their investment as a result of a strengthening or weakening of the euro against the currency in which the investor's funds are denominated.

Probability / Impact: 1 / 1 (score 1, Reporting zone; unchanged)

Risk owner: Investor Relations and Sustainability Director. **Next review:** March 2027.

Review 2025: The adoption of the euro in Bulgaria on 1 January 2026 and the relatively stable position of the euro in the international currency markets reduce currency risk to minimal levels; the dual listing on the Frankfurt Prime Standard is also in euro. Scores: likelihood 1 (2024: 1.5), impact 1 (2024: 1.5).

Update Q4 2026: Unchanged. The shares are euro-denominated on both the BSE and Frankfurt, and the ECB assumes a stable EUR/USD of about 1.16.

Measures:

- Informing investors
- Monitoring the structure of investors

Measurement: investment in SIRM by non-EU investors

3.6. Lack of guarantee for payment of annual dividends

Definition: The financial result of the company depends on many factors, including the skill and professionalism of the management team, the development of the market in which the company operates, the economic development of the country and the region, overcoming all types of risk, etc. There is a risk for investors of the lack of security/guarantee of annual dividend payments.

Probability / Impact: 3 / 3 (score 9, Monitoring zone; unchanged)

Risk owner: Chief Financial Officer (CFO). **Next review:** March 2027.

Review 2025: For FY2024, a dividend of EUR 0.0102 (BGN 0.02) per share was paid in August 2025. For FY2025, the General Meeting of Shareholders of 18 June 2026 resolved a dividend of EUR 0.015 per share (EUR 863,164 in total, about 41% of the net profit of EUR 2.11 million), payable from 20 July 2026 – about 47% more than a year earlier. Net profit grew from EUR 0.57 million to EUR 2.11 million (+269.7%). The Board of Directors will strive to stick to its Dividend Policy. Scores: likelihood 3 (2024: 3.5), impact 3 (2024: 3.5).

Update Q4 2026: Unchanged. The FY2025 dividend of EUR 0.015 (+47%, about 41% of net profit of EUR 2.11m) was paid from 20 July. The cash cost of Jucari and higher debt reduce the cushion, while Jucari adds EBITDA from September; the acquisition is not expected to be material to 2026 results (company release, 18 September).

Measures:

- Implementation of Sirma's Code of Good Corporate Governance
- Dividend policy of Sirma
- Sustainable development of Sirma

Measurement: dividend paid during the year

3.7. Risk of changing the taxation of investments in securities

Definition: The risk of changing the taxation of investments in securities is associated with the change of the current regime of taxation of this kind of instruments. The same can be considered favorable in the sense of having a tax-free capital gain. A change to capital gains taxation, as well as other potential changes in the taxation of investments in securities, may adversely affect an investor's ultimate realized net result.

Probability / Impact: 3.5 / 3 (score 10.5, Monitoring zone; previous review: 4 / 3)

Risk owner: Investor Relations and Sustainability Director. **Next review:** March 2027.

Review 2025: The withholding tax on dividends remained at 5%: the FY2025 dividend was taxed at 5% (net EUR 0.01425 per share). Given the sustained political instability in Bulgaria (see 1.2), a change in the taxation of dividends or of capital gains remains possible, while capital gains are currently tax-free. Scores: likelihood 4 (2024: 2.7), impact 3 (2024: 4).

Update Q4 2026: Likelihood lowered to 3.5. The proposal in the 2026 draft budget to raise dividend tax from 5% to 10% was not adopted (5% applies for 2026), and the draft 2027 package reported on 23 September contains no change to the taxation of dividends or capital gains. Residual risk: the package is still a draft and the deficit procedure keeps fiscal pressure high. Capital gains on these shares are not taxed (confirmed by the Company), so the exposure is to the dividend tax and to any future change in that treatment.

Measures: monitoring the tax debate

Measurement: change in the tax treatment of equity investments

4. Other risks

Specific risk factors related to the main activity of Sirma Group JSC, risks to sustainable development (ESG risks), as well as general risks that may have an impact on its activity are described in detail in the Sustainability Policy/Strategy or other special internal documents.

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