

February 18, 2026

Sirma Group Holding JSC

Capturing the AI opportunity

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Rating	XXX
Price target	XXX
Potential	XXX
Share data	
Share price (last close price in EUR)	1.26
Number of shares (in m)	57.8
Market cap. (in EUR m)	72.8
Trading vol. (Ø 3 months; in K shares)	45.0
Enterprise Value (in EUR m)	77.0
Ticker	BUL:SIRM
Guidance 2025	
Sales (in EUR m)	66
EBITDA (in EUR m)	5

Share price (EUR)



Shareholder	
Free float	47.9%
Georgi Parvanov Marinov	9.2%
Tsvetan Borissof Alexiev	8.5%
Chavdar Velizarof Dimitrov	8.1%
Veselin Antchev Kirov	8.0%

Calendar	
Frankfurt Listing	February 24, 2026
Q4 figures	March 2, 2026
AR 2025	April 30, 2026

Changes in estimates			
	2025e	2026e	2027e
Sales (old)	66.1	70.3	76.7
Δ	-	-	-
EBIT (old)	2.9	2.7	3.5
Δ	-	-	-
EPS (old)	0.03	0.03	0.04
Δ	-	-	-

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Capturing the AI opportunity

Sirma Group Holding is a **Bulgarian IT service and software company**, set to enhance its international capital market visibility through a dual listing on the Frankfurt Stock Exchange starting February 24, 2026. The company's business model includes **system integration and sale of IT equipment in Bulgaria** as well as the delivery of **IT services and custom software in Europe and North America**. The service offering is enhanced by Sirma's **proprietary Sirma.ai Enterprise Platform**, which orchestrates the use of AI models across deployment, ensuring the highest degree of data sovereignty.

The general IT services market is expected to grow in the **mid-to-high single digit range**. Future market growth will be driven by ongoing cloud migrations, increasing cybersecurity demands and the enterprise-wide implementation of AI acting as a primary catalyst. As organizations require external guidance to integrate AI solutions safely in their existing complex infrastructure and navigate the evolving technological landscape, the services segment is expected to show the highest growth and capture the largest share of the total AI market.

Competitively, Sirma acts as a **leader in its domestic market**, while delivering international services from its **cost-efficient hubs in Bulgaria and Romania**. The company benefits from a structurally lower cost base than its Western peers, whose nearshoring exposure is typically more limited. At the same time, it maintains full alignment with EU regulatory standards compared to non-European competitors. In times of geopolitical uncertainty and European efforts toward data sovereignty, Sirma is well positioned as a European alternative to US tech companies.

Financially, the group looks back on a strong growth profile, achieving a **revenue CAGR of 12.6% from 2015 to 2024**. Further strong growth is highly visible for 2025, driven by the acquisition of Roweb, a Romanian IT service company, and a favorable environment in the public sector. Sirma strives for **further inorganic growth**, with one possible debt-financed acquisition in 2026, while leveraging the Frankfurt listing for a potential capital raise in 2028. Following historically strong margin levels, profitability has been recovering from the 2023 trough. For 2025, we expect an EBITDA margin of 7.7%, still reflecting elevated strategic investments in the AI platform and internal organisational capabilities.

Looking ahead, we forecast a **top-line CAGR of 11.4%** over 2024–2031, excluding any contribution from future M&A. Supported by operating leverage, a fading investment burden and a gradual shift in the revenue mix towards higher-margin proprietary software, we model **EBITDA growth of 22.7% p.a.** over the same period and a terminal EBIT margin of 10.0%. The Euro adoption and the planned Frankfurt listing have increased the stock's visibility, which is reflected in a relatively demanding 2025e EV/EBITDA of 15.1x. Based XXX

Conclusion: The AI transformation requires specialized providers, who can securely embed solutions into corporate processes and data streams without compromising on data security. By pivoting from a service provider with niche software products to a broader platform player, Sirma differentiates from the competition and unlocks an additional revenue stream. We XXX

FYend: 31.12.	2023	2024	2025e	2026e	2027e
Sales	41.2	50.6	66.1	70.3	76.7
Growth yoy	2.8%	22.8%	30.7%	6.4%	9.2%
EBITDA	1.6	2.9	5.1	5.2	6.0
EBIT	-0.3	0.8	2.9	2.7	3.5
Net income	-0.9	0.3	1.6	1.7	2.3
Gross profit margin	54.0%	51.2%	51.2%	56.0%	57.1%
EBITDA margin	4.0%	5.8%	7.7%	7.4%	7.8%
EBIT margin	-0.7%	1.5%	4.4%	3.9%	4.5%
Net Debt	-6.0	-3.6	-2.9	-3.9	-5.4
Net Debt/EBITDA	-3.6	-1.2	-0.6	-0.7	-0.9
ROCE	-0.8%	2.1%	7.2%	6.5%	8.1%
EPS	-0.02	0.00	0.03	0.03	0.04
FCF per share	-0.01	0.03	0.00	0.04	0.05
Dividend	0.01	0.01	0.02	0.02	0.02
Dividend yield	0.8%	0.8%	1.6%	1.6%	1.6%
EV/Sales	1.9	1.5	1.2	1.1	1.0
EV/EBITDA	46.8	26.4	15.1	14.8	12.9
EV/EBIT	n.m.	100.6	26.2	28.1	22.1
PER	n.m.	n.m.	42.0	42.0	31.5
P/B	1.9	1.8	1.7	1.7	1.6

Source: Company data, Montega, Capital IQ

Figures in EUR m, EPS in EUR, Price: 57.79 EUR

TABLE OF CONTENTS

Executive Summary	2
Investment Case	4
Growing market leaves ample room for growth	7
Regional leader in Bulgaria	10
Continued revenue growth ahead	13
Solid free cash flow generation expected	18
Share price surging strongly in recent years	19
Valuation reflects opportunities of the business model	20
Conclusion	20
SWOT	21
Strengths	21
Weaknesses	21
Opportunities	21
Threats	21
Valuation	22
DCF Model	23
Peer Group Analysis	24
Company Background	26
Key Facts	26
Key Events in Company History	26
Segments and Regions	27
Management	29
Shareholder Structure	29
Financials	30
DCF Model	30
P&L	31
Balance Sheet	32
Cashflow Statement	33
Disclaimer	34

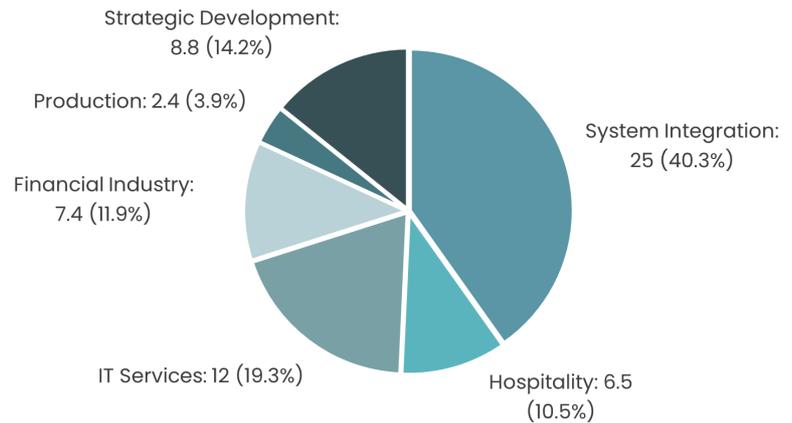
Investment Case

Sirma Group Holding JSC is a diversified IT Services and Software company, headquartered in Sofia, Bulgaria, and servicing clients in 67 countries. Founded in 1992 as "Sirma AI", the company possesses a deep-rooted DNA in Artificial Intelligence. Today, Sirma's mission is to act as a primary orchestrator for organizations during their digital transformation, helping them become "AI-ready" through a combination of custom software development, system integration, and own standard software, most notable an AI Enterprise Platform, which connects AI models with company data, while ensuring a high degree of data security.

The group's operational structure is organized into six distinct segments, including two horizontals with cross-industry offerings and three key verticals.

Revenue Share by Segment

(as of LTM Q3/25; in EUR m; in %)



Source: Company, Montega

System Integration: The System Integration segment serves as the group's domestic backbone, focusing on the sale of hardware systems, cloud migration, and ongoing maintenance, increasingly complemented by DevOps services. The target market primarily consists of the Bulgarian public sector as well local multinational companies with operations in Bulgaria, particularly in the financial and healthcare industries. Example projects include the sale and integration of cybersecurity infrastructure for a FinTech and the supply of desktop computers for a large Bulgarian Bank.

Hospitality: The Hospitality segment provides specialized IT solutions, consulting, and data analysis specifically tailored for the global hospitality industry. Its competencies include the development of sophisticated online reservation systems and the integration of management software for a broad client base that includes international hotel groups, tour operators, and travel agencies.

IT Services: This horizontal segment provides cross-industry custom software development, IT consulting, and managed services. With a regional focus on the UK, DACH, Belgium, Scandinavia, and Romania, the segment handles a wide variety of complex mandates. Notable projects include the development of a payment system for gift cards, the operation of a global airline reservation system, and the creation of an intelligent AI bot for a major e-commerce client.

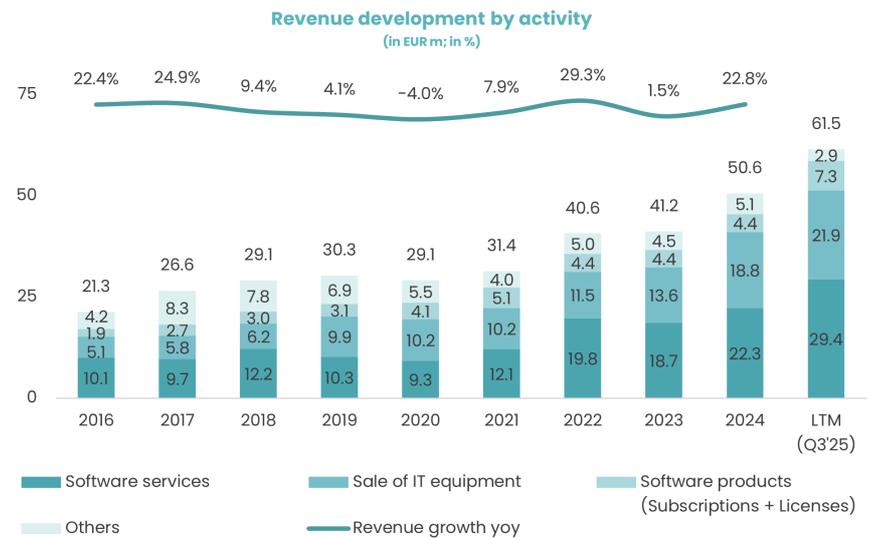
Financial Industry: Sirma is a dominant player in the Bulgarian financial market, counting approximately 60% of the country's financial institutions as clients. The segment specializes in core banking implementations (Oracle FlexCube, Temenos T24) and regulatory reporting solutions (e.g., RepXpress). The group acts as a strategic partner for institutions on their path toward digitization and the implementation of artificial intelligence.

Production: The Production segment, operated by its subsidiary EngView Systems AD, provides software and hardware solutions for Metrology, Quality Management, and automation of the packaging industry. The company offers specialized CAD/CAM solutions for the packaging and sheet metal industries, holding a globally recognized niche position.

Strategic Development: The Strategic Development segment functions as the group's internal incubator, housing knowledge-based verticals such as retail, logistics, transportation, and healthcare that have not yet reached standalone maturity. Beyond business development, this segment also consolidates non-allocable group costs, including the central Research Lab and corporate overhead. Consequently, while it is a vital engine for long-term innovation and the source of future growth pillars, the segment's bottom line is typically negative.

In general, the group generates revenues by selling IT equipment (35.6% of LTM revenues) and by the rendering of services (64.4%). The sale of IT equipment closely aligns to the System integration segment and therefore has the same regional focus with over 90% of revenue being from Bulgaria. Rendering of services is more regionally balanced with Europe ex. Bulgaria representing 45.1% of revenues, Bulgaria 37.3% and the United States 13.1%. The main service activity are software services (47.8% of total revenues), which primarily means custom software development and managed services. Additional services include selling proprietary software products on a subscription or license basis, offering cloud services from the company's own data centre, and delivering various support services. Despite this international profile, the workforce is close to fully located in central and eastern Europe with at the end of 2024 518 employees in Bulgaria, 131 in Romania and 45 in Albania. Less than ten employees were located in other regions for sales and business development, which ensures cost advantages compared to western IT service companies, who only have a smaller part of their delivery capabilities in near-shoring locations.

For the sake of clarity, the revenue development by activity is summarized below:



Source: Company, Montega

Sirma Group Holding has demonstrated a robust growth profile, characterized by a CAGR of 12.6% between 2015 and 2024. Following a temporary slowdown during the COVID-19 pandemic, momentum accelerated significantly, resulting in double-digit organic growth rates from 2022 to 2024. This development was further amplified by strategic M&A activity, most notably the acquisitions of the Bulgarian hospitality specialist Sciant AD in late 2021 and the Romanian IT service provider Roweb in late 2024.

A pivotal moment in the Group's history was the divestment of its subsidiary Sirma AI (Ontotext) in 2022. While Sirma AI was a recognized leader in semantic technologies and graph databases, the decision to sell the majority stake at an Enterprise Value of EUR 24.1m was driven by the substantial capital requirements needed to compete effectively with global big-tech rivals. This transaction marked a temporary strategic pivot to focus on the service and custom software business.

However, the emergence of the Generative AI era has fundamentally reshaped the competitive landscape. By significantly lowering the technical barriers and costs associated with software development, the current AI cycle allows companies like Sirma to compete with much larger companies despite having a moderate budget available. Consequently, Sirma is shifting the focus back on the product business. Apart from the established positions in niche markets, such as the EngView CAD in packaging or Diabetes:M in healthcare, Sirma recently introduced the Sirma.ai Enterprise Platform, which is not only a potential cornerstone of the product portfolio but could also act as a significant catalyst for the Group's IT service activities.

The Sirma.ai Enterprise Platform is positioned as a strategic transformation hub designed to enable organizations to build, deploy, and govern secure AI agents and workflows at scale. Rather than providing isolated AI applications, the platform serves as a comprehensive orchestration layer with a vendor-agnostic Multi-LLM architecture that provides access to over 500 language models, ranging from global cloud-offered products like OpenAI (ChatGPT), Anthropic (Claude), and Google (Gemini) to in open-source models running on the client's infrastructure. To address the growing importance of data sovereignty and the regulatory requirements of sectors such as banking and government, the platform is pre-configured for GDPR and NIS2 compliance and offers maximum deployment flexibility.

Clients can choose between cloud-based operation, hybrid or full on-premise and even air-gapped installations in isolated environments. The platform is able to automatically route workflows to the most appropriate model based on a real-time assessment of task complexity, cost targets, and compliance requirements, which ensures sensitive data never leaving secured environments.

This high degree of customization is further enhanced by low-code workflow designers and industry-specific agent templates that leverage Sirma's deep expertise in various vertical markets. Sirma employs a two-tier commercialization strategy. Larger clients with high data and AI requirements typically install the software on-premise or in their cloud and pay an annual license fee, while smaller companies can choose the usage-based Platform-as-a-Service model.

Growing market leaves ample room for growth



- General IT services market is expected to grow mid single-digits
- AI-related areas offer new opportunities and higher growth rates

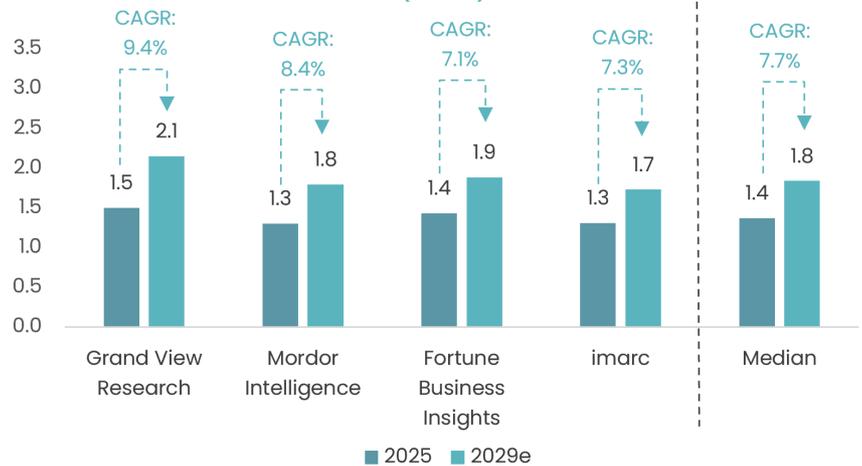
According to Gartner’s latest forecast (October 2025), the global technology sector remains highly resilient despite macroeconomic volatility. Worldwide IT spending is projected at USD 5.54tn in 2025 (+10.0% yoy) and is expected to exceed USD 6.0tn for the first time in 2026, reaching USD 6.08tn (+9.8% yoy). Yet beneath these strong headline figures lies a structural divergence, creating a “two-speed” economy propelled by substantial capital allocation toward Generative AI.

Global IT Spending (in USD bn)	2025 Spending	2025 Growth	2026 Spending	2026 Growth
Data Center Systems	489.5	+46.8%	582.4	+19.0%
Devices	783.2	+8.4%	836.3	+6.8%
Software	1,244.3	+11.9%	1,433.0	+15.2%
IT Services	1,719.3	+6.5%	1,869.3	+8.7%
Communication Services	1,304.2	+3.8%	1,363.1	+4.5%
Overall IT	5,540.4	+10.0%	6,084.1	+9.8%

Source: Gartner, Montega

Beneath the double-digit topline expansion, traditional segments face what Gartner describes as an “Uncertainty Pause.” Enterprise buyers have adopted a cautious approach regarding global trade policies and regulatory shifts, leading to a temporary deferral of net-new discretionary projects. Consequently, market growth is heavily concentrated in AI-related infrastructure, especially within the Data Center Systems segment but also in subsegments like Infrastructure-as-a-Service (IaaS) and GenAI associated software. On the other hand, vertical-specific software, which includes most of Sirma’s software products, has been more vulnerable to policy changes and business uncertainties.

Expected Development of the IT Services Market (in USD tn)



Source: Grand View Research, Mordor Intelligence, Fortune Business Insights, imarc, Montega

Looking further ahead, the global IT Services market, which we view as the most important market for Sirma, is projected to expand steadily between 2025 and 2029. The four research institutes Grand View Research, Mordor Intelligence, Fortune Business Insights, and imarc are forecasting an annual growth rate between 7.1% to 9.4% with a median CAGR of 7.7%. This sustained expansion is underpinned by three fundamental drivers. First, the continued migration of enterprise infrastructure toward hybrid and multi-cloud environments sustains demand for complex system integration. Second, the exponential growth in global data generation is necessitating advanced data management and analytics solutions, moving AI from experimental phases to enterprise-wide implementation. Finally, the evolving threat landscape marked by rising cyberattacks and strict regulatory frameworks like GDPR is driving non-discretionary spending on cybersecurity. Structurally, the market is observing a transition from reactive “break-fix” services to proactive consulting, as enterprises seek external expertise to navigate these digital transformation initiatives.

Artificial Intelligence is poised to be a major growth driver for the IT Services market, with Grand View Research projecting a CAGR of 31.5% from 2025 to 2033. Within this market, the services segment accounted for the largest revenue share at 36.3% in 2025 and is expected to deliver the fastest growth, as organizations increasingly seek guidance to integrate AI into existing infrastructures. Rapid developments in the AI landscape further drive demand for ongoing updates, maintenance, and training. Additionally, Sirma has entered the AI software segment, which represents 34.2% of the total AI market, with its data-secure AI Enterprise Platform well-positioned—particularly in Europe, where data privacy and ethical AI considerations are increasingly emphasized.

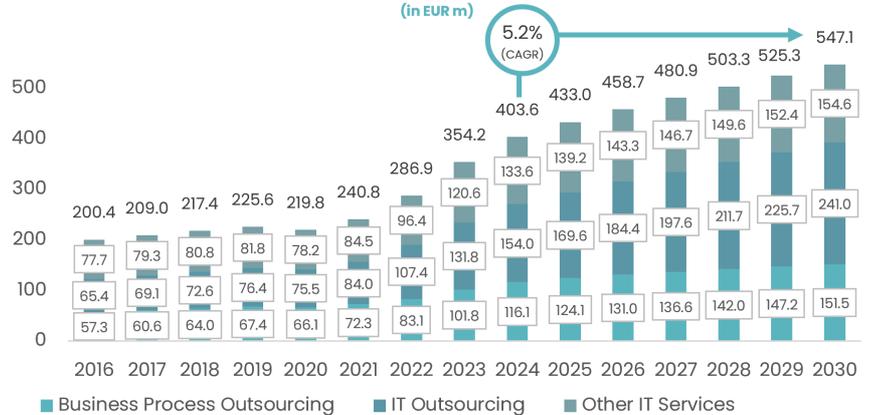
Expected Development of the Artificial Intelligence Market
(in USD bn)



Source: Grand View Research, Montega

Given the significant share of revenue generated in the domestic market (9M/25: 54.1%), the dynamics of the Bulgarian IT Services market hold elevated importance for the development of the group.

Expected Development of the Bulgarian IT Services Market
(in EUR m)



Source: Statista, Montega

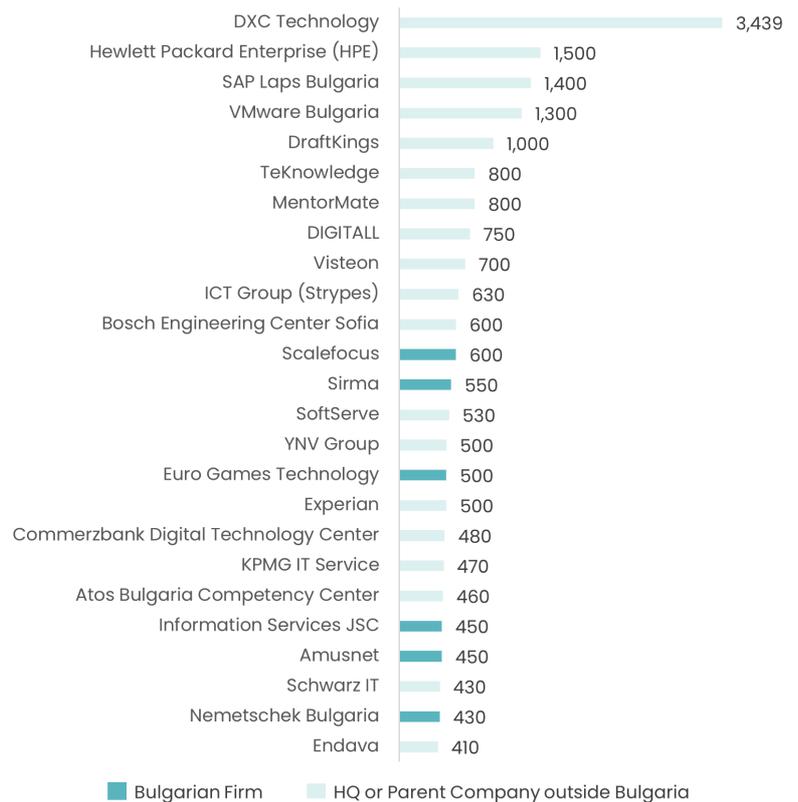
As illustrated in the chart, the Bulgarian IT Services market has matured from a post-pandemic boom into a phase of steady, sustainable expansion. For 2025, the total addressable market is estimated at EUR 432.9m, with a projected CAGR of 5.2% (2024-2029). Growth is expected to be stronger in the IT Outsourcing segment, which accounts for a significant part of Sirma's business. This segment includes application outsourcing, managed services, as well as hardware supply, setup, and configuration, and is projected to expand at 7.8% per year.

Structurally, Bulgaria's IT sector is heavily oriented toward international markets. According to the software industry association BASSCOM, 85% of software revenue is generated through exports, with software products and services accounting for nearly 28% of the country's total service exports. This global competitiveness is supported by a favorable flat tax rate of 10%, comparatively lower wages, and advanced digital connectivity, enabling a flexible, high-performance delivery model. Sirma, by contrast, derives a relatively high share of revenues domestically, primarily from IT equipment sales, which represented 30.5% of group revenues in 9M/25, with around 90% generated in Bulgaria. Its remaining service business is largely international, with Bulgarian revenues contributing just over 30%.

This international orientation is also reflected in the employers of IT professionals in Bulgaria. The largest employers of IT professionals in Bulgaria generally maintain their headquarters outside of the country or operate as subsidiaries of international groups. A significant portion of these entities function as global capability centers or dedicated R&D hubs (e.g., SAP Labs, Schwarz IT, Commerzbank). These units utilize the location primarily for internal product development and operational support within their respective parent organizations, rather than competing for third-party clients. Consequently, while they act as competitors in the local labor market regarding talent acquisition and wage levels, they do not rival Sirma for market share in the external B2B services sector.

In contrast, international service providers such as DXC Technology, Endava, or ICT Group (Strypes) operate with varying regional focuses. While some utilize Bulgaria as a strategic nearshore delivery center to exclusively service their global client base, others also compete for domestic mandates.

Largest Bulgarian Companies by Number of IT-Employees



Source: H512.com (March 2024), Montega

In summary, we believe that the key growth drivers of the relevant market are as follows:

- The Generative AI and Agentic Transformation:** The global ICT market is currently undergoing a structural shift driven by the rapid adoption of Generative AI. As organizations move from experimental pilot projects to enterprise-wide implementation of AI agents, demand for platforms that can build, deploy, and govern these workflows is expected to surge.
- Increasing Demand for Data Sovereignty and "Sovereign AI":** Stringent regulatory frameworks such as GDPR and the impending NIS2 directive are creating a high-growth niche for "Sovereign AI" solutions. Many organizations in highly regulated sectors—particularly banking, healthcare, and government—are restricted from utilizing public US-based cloud solutions for sensitive data.
- Continued Migration to Hybrid and Multi-Cloud Environments:** While the initial "cloud boom" has matured, the market is entering a more complex phase of hybrid and multi-cloud optimization. Organizations are increasingly looking to avoid vendor lock-in by utilizing a mix of different cloud providers and on-premise resources. This evolution sustains demand for complex system integration and managed services, as enterprises require specialized expertise to manage interoperability and cost-efficiency across disparate digital environments.

Regional leader in Bulgaria

To assess Sirma's competitive position, we have primarily looked at Bulgarian IT service companies.

Company Name	Focus Regions	Main Activity and Verticals	Revenue (in EUR m)	EBITDA Margin	EBIT Margin
Scalefocus	Global	Software Engineering, Financials, Energy	40.4	6.9%	1.7%
DAIS	Bulgaria,	Software Engineering, Financials	5.6	n.a.	17.7%
DSS Software	Bulgaria	Software Engineering	2.3	1.8%	0.2%
Synergy Global	Bulgaria, North-Macedonia, Lithuania	Software Engineering, Financials	1.7	-17.4%	-19.1%
Musala	Bulgaria, North-Macedonia, Egypt	IT-Consulting + Software Engineering, Automotive, Finance, Telecommunication	35.9	n.a.	15.5%
IBS	Bulgaria, North-Macedonia, UAE	IT-Consulting + Software Engineering, Financials	23.3	12.7%	10.8%
Nevexis	Bulgaria, Rest of Europe	IT-Consulting- and Cloudservices	4.7	3.1%	2.3%
Ablera	Bulgaria	IT-Consulting, Financials	1.0	4.8%	-41.6%
DigitAll /Bullpros	Bulgaria, Austria, Germany, Suisse	Cloud Services and Cyber Security	23.7	-17.3%	-29.3%
Neterra	Bulgaria, Cental-Easturope	Cloud- and Networkservices	15.7	-0.1%	-8.2%
Superhosting BG	Bulgaria, Serbia	Cloud Services	13.3	n.a.	30.1%
Telepoint	Bulgaria, Greece, Turkey, Serbia, North-Macedonia	Cloud Services	10.0	n.a.	26.3%
Evolink	Bulgaria	Cloud Services + Software Engineering	3.3	18.0%	5.1%
Technlogica	Bulgaria, Serbia	IT-Integration and Infrastructure	14.4	19.0%	16.3%
Median			13.9	4.0%	3.7%

as of: Most recent available figures | Source: РЕПУБЛИКА БЪЛГАРИЯ Агенция по вписванията, Capital IQ, Montega

In the important domestic market, where over half of Sirma's revenues are generated, Sirma faces competition from small and medium-sized providers as well as internationally active companies.

Sirma ranks among the largest IT companies in Bulgaria, with revenues of EUR 50.6m in 2024. Its exceptional diversification for a company of this size means that, while total revenues exceed many peers, it can be smaller in specific sub-markets. For instance, Scalefocus positions itself as Bulgaria's largest software engineering firm and employs more IT staff locally, as a significant share of Sirma's workforce is based in Romania following the Roweb acquisition. Scalefocus also matches Sirma in profitability, whereas other competitors, who often share the focus on financial clients, are smaller, less profitable, or even loss-making.

In the IT consulting segment, Sirma is among the largest domestic providers within a fragmented competitive landscape. Key competitors include MusalaSoft, which generates EUR 35.9m in revenue and focuses primarily on consulting and advisory services for clients in automotive, finance, and telecommunications. Another notable player is IBS, a leading consulting firm for financial institutions; despite a smaller revenue base of EUR 23.3m, IBS delivers strong profitability, with an EBITDA margin of 12.7% and an EBIT margin of 10.8%. Other participants, such as Nevexis—specializing in regulatory solutions for financial institutions—and Ablera, focused on insurance technology, operate at a much smaller scale relative to Sirma.

In the cloud services segment, Sirma is positioned against a diverse range of competitors, which ultimately also include the US-Hyperscalers. For the Bulgarian competitors, DigitAll (formerly Bullpros), part of a larger Germany-based software group, achieves the highest revenues. Despite its EUR 23.7m in revenue, DigitAll reports negative EBITDA and EBIT margins, highlighting Sirma's relative strength in this segment. Similarly, Neterra, with revenue of EUR 15.7million, also shows weak profitability. In contrast, players such as SuperhostingBG, Telepoint, and Evolink operate profitably, achieving positive EBITDA and strong EBIT margins. However, their business models are primarily centered around web hosting, streaming platforms (Telepoint), and data center services rather than comprehensive cloud infrastructure solutions.

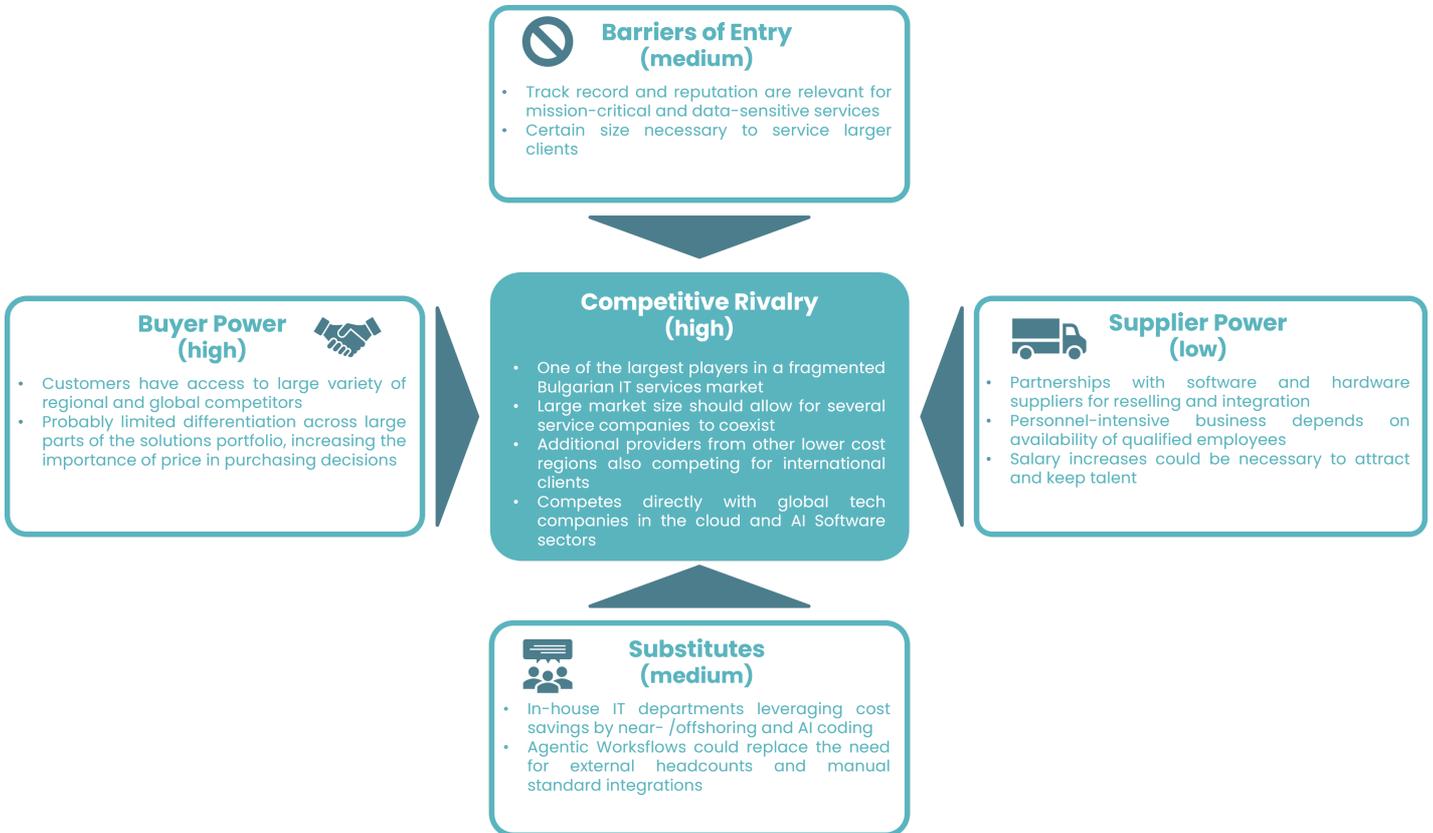
In the IT integration and infrastructure implementation segment, Sirma's main competitor is Technologica, a firm active in both Bulgaria and Serbia. In 2022, Technologica generated EUR 14.4million in revenue and achieved double-digit EBITDA and EBIT margins, demonstrating robust profitability in this area.

In our view, Sirma will likely continue to benefit from the following competitive advantages:

- **Operating Leverage and Self-Funded R&D:** Sirma's scale and consistent profitability provide the financial stability required for long-term enterprise partnerships. This allows the group to self-fund R&D and transition from a service provider to a product-led firm, evidenced by the development of its own AI Enterprise Plattform, which we expect to be an important differentiator to other service providers.
- **Proven Track Record and AI Specialization:** Founded in 1992, Sirma built significant trust in the financial and public sectors. Its technical leadership in AI, validated by the successful incubation and exit of Sirma AI (Ontotext), provides a distinct advantage in the transition to enterprise automation.
- **High Defensibility through Vertical Expertise:** Extensive domain knowledge in highly regulated industries such as Banking, Insurances and Healthcare as well as Hospitality and Production generates substantial advantages due to anticipation of customer's needs. This deep sector focus enables Sirma to operate mission-critical systems that generalist competitors find difficult to enter or replicate.
- **Resilient Revenue Model:** With over 43% (9M 2025) of revenues derived from recurring streams (IT systems and long-term contracts) and a low churn rate, Sirma maintains a more predictable cash flow profile compared to project-based peers.
- **Leading Independent Market Position:** In contrast to international "captive" centers focused on offshore delivery, Sirma is Bulgaria's leading independent IT Firm. This leadership strengthens its regional market position and supports access to Bulgaria's top engineering professionals.
- **Competitive Cost Structure with EU Alignment:** Bulgaria's tax regime and labor costs give Sirma a clear pricing and margin advantage versus Western Europe, while EU-based delivery combines cost-efficiency, regulatory stability, and geographic proximity.
- **Data Sovereignty and Geopolitical Security:** As a European provider, Sirma complies with EU data residency and GDPR, making data sovereignty a key differentiator for security-sensitive financial and public-sector clients in an environment of heightened geopolitical risks.

In a fragmented market with intense rivalry and high buyer power, Sirma leverages vertical expertise and the increasing importance of data sovereignty to differentiate from the competition. Its product-led transition via their own AI Enterprise Platform builds an advantage compared to generalist integrators and captive offshore centers.

Competitive Position of Sirma

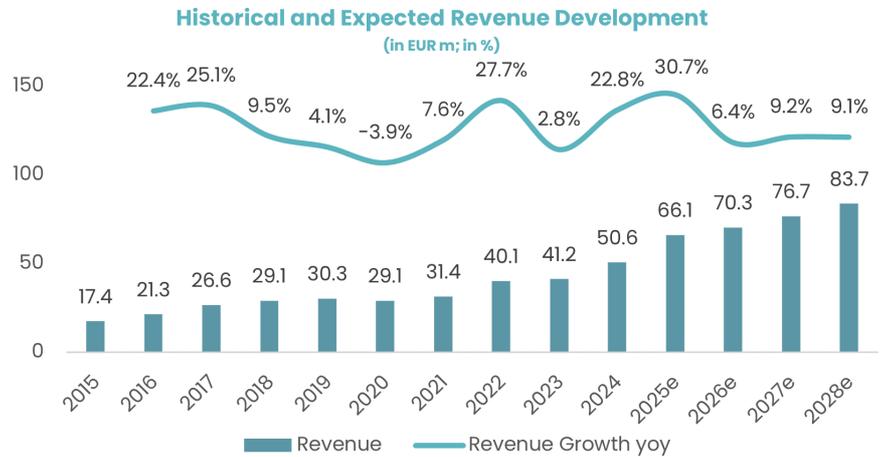


Continued revenue growth ahead



- Strong growth profile with historical revenue CAGR of 12.6%
- Margin recovery underway from the 2023 trough, still reflecting ongoing investment programme

Intro



Source: Company, Montega

Sirma Group Holding has historically delivered strong growth, with a CAGR of 12.6% between 2015 and 2024. Growth paused temporarily during the COVID-19 pandemic, as customer caution and postponed projects weighed on revenues, even though the crisis underscored the importance of digitization. Subsequent revenue development was significantly influenced by M&A activity: Sciant AD was consolidated in mid-November 2021, contributing EUR 7.0m to the 2022 top line, while the majority of Sirma AI was sold and deconsolidated in September 2022 after generating EUR 3.6m in YTD revenue. On an organic basis, Sirma would have achieved double-digit growth each year from 2022 to 2024.

Growth momentum picked up in 2025, with consolidated 9M/25 sales rising 33.9% yoy, driven by both organic and inorganic factors. The Romanian IT service provider Roweb, acquired in October 2024, contributed EUR 5.2m to 9M/25 revenues, representing roughly half of total growth. At the same time, the System Integration segment delivered strong organic expansion, up 33.2% yoy, as Sirma secured several large public-sector tenders, benefiting from a stabilized political environment in Bulgaria that allowed long-delayed procurement processes to move forward. The holding company's 2025 annual report has already been published, and the reported System Integration revenue, which is highly comparable to the consolidated figures, indicates further growth for the segment in Q4.

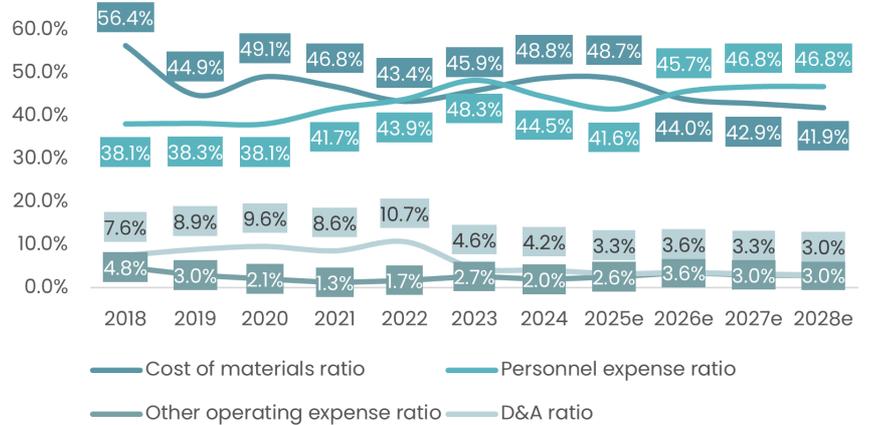
With the Bulgarian government's resignation in December 2025 and upcoming elections, we expect headwinds for public-sector tenders and a decline in IT equipment sales. Beyond this, continued growth in software services, together with higher revenues from subscriptions and licenses, is expected to drive further top-line expansion.

While we view further M&A activity in 2026 as likely, our forecast conservatively excludes potential future acquisitions.

Expenses reflect main activities

The main expenses of the group consist of cost of materials for the reselling of third-party hard- and software and of personnel expenses for the personnel-based software services

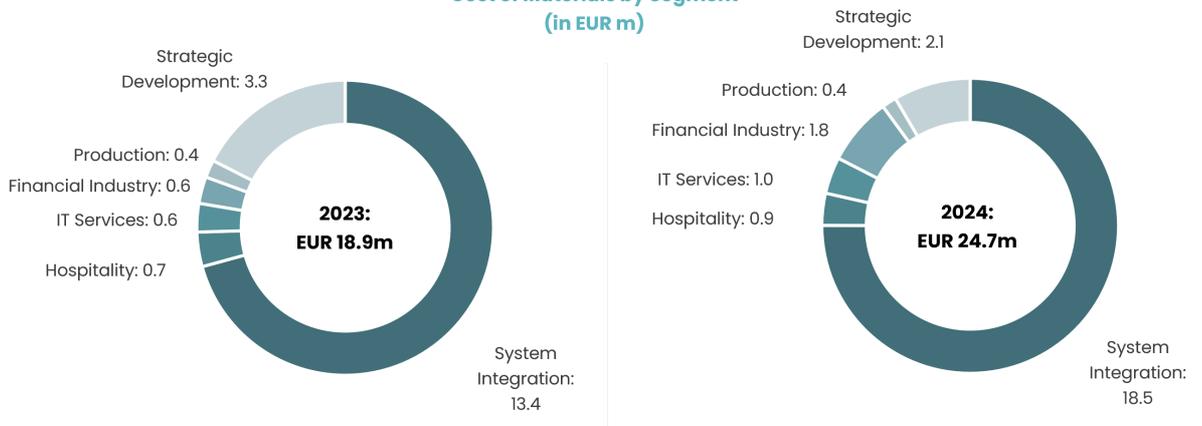
Historical and Expected Development of Cost Ratios
(in % of Revenue)



Source: Company, Montega

Cost of materials: The cost positions presented here, aside from reported material costs (2024: EUR 0.5m; 1.0% of revenues), which mainly cover electricity, also include cost of goods sold and other current assets (EUR 17.0m; 33.5% of revenues) as well as hired service expenses (EUR 7.2m; 14.3% of revenues). Hired service expenses primarily comprise outsourced personnel, covering software services and subcontracted operations within project work.

Cost of Materials by Segment
(in EUR m)

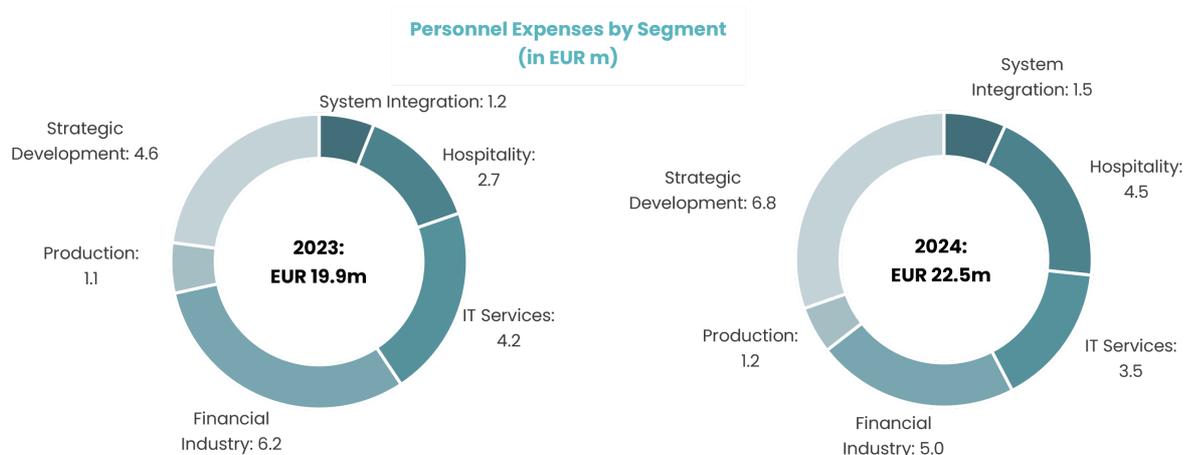


Source: Company, Montega

As expected, material costs are largely driven by the System Integration segment, where the primary activity is IT equipment sales. Hired service expenses are more evenly spread, with Strategic Development accounting for the largest share at 28% of the 2024 total of EUR 7.2m, while roughly 99% of the remaining cost of materials and goods sold stems from System Integration. Consequently, we consider the material cost ratio in this segment a key operational performance metric. It stood at 88.0% in 2024 and 86.2% in 2023, and after nine months of 2025, it has improved to 85.0%.

The group's overall cost of materials ratio has risen from a low of 43.4% in 2022 to 48.8% currently. This increase largely reflects the growing share of IT equipment sales in total revenue, which climbed from 28.3% to 37.2% over the same period in 2024.

Personnel expenses: Outside the hardware-intensive System Integration segment, Sirma's core IT Consulting and Custom Software Development activities are largely personnel-driven. In these segments, revenue is closely tied to billable hours, limiting short-term scalability. Growth in software revenues, while requiring current R&D investment, has the potential to decouple earnings from costs over time and support higher margins.



Source: Company, Montega

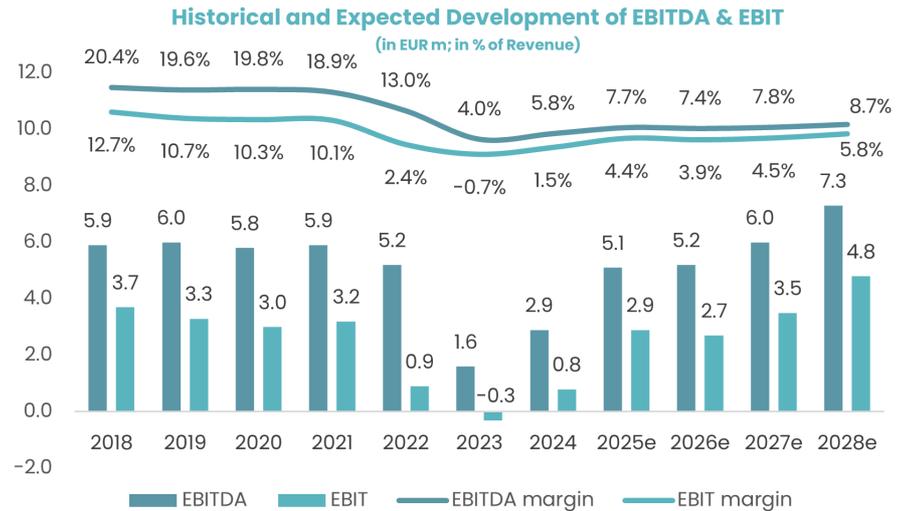
With approximately 75% of the workforce based in Bulgaria, Sirma benefits from a competitive cost structure compared to Western peers. However, absolute personnel expenses are rising due to sector-wide wage inflation and the strategic expansion of the sales and R&D teams. We expect personnel expenses to become the primary cost driver, as IT services and software development are not material-intensive, making staff-related spending the key contributor to future expense growth.

Depreciation & Amortization (D&A): Reflecting the Group's asset-light business model, D&A plays a subordinate role in the P&L structure (2024: EUR 2.2m; 4.2% of sales). Depreciation of property, plant, and equipment (EUR 0.8m) mainly relates to computer hardware and right-of-use assets for office rentals. Amortization of intangible assets (EUR 1.3m) stems from capitalized development costs for proprietary software as well as rights to software modules.

Historically, D&A levels were significantly higher due to the larger intangible asset base of the former subsidiary Sirma AI (Ontotext). Following its sale in September 2022, intangible assets decreased by over EUR 37.7m, and in the same year a one-off impairment of EUR 1.4m on capitalized costs for the acquisition of intangible assets was recorded. Since the deconsolidation, the D&A level has normalized. Going forward, we expect moderate increase in absolute terms as the company further invests in its own software, which should partly reflect in the balance sheet.

Other operating expenses: Other operating expenses remain at a low level relative to revenue (2024: ~2.0%), comprising primarily administrative costs, travel expenses, and social overheads. Looking ahead, we anticipate a slight increase in this cost block. This projection reflects the management's strategic decision to keep invest in marketing and sales.

Historically strong profitability is being weighed down by R&D



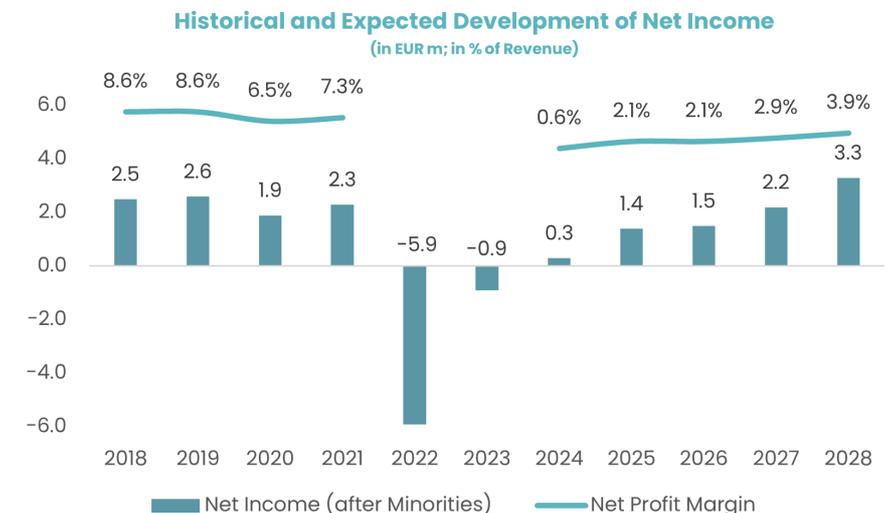
Source: Company, Montega

Prior to 2023, Sirma maintained a stable earnings profile, with EBITDA margins gradually declining from around 20% to approximately 13% by 2022. The sharp margin contraction in 2023 reflected a combination of strategic portfolio adjustments and deliberate investment choices. Sirma AI, which had delivered very high EBITDA margins near 40% in prior years but also required substantial ongoing investment, was sold, reducing the subsidiary's high-margin contribution. At the same time, management prioritized R&D for the Sirma.ai Enterprise Platform and increased international sales activity to secure future growth. Additional costs arose from internal restructuring, including the acquisition of remaining minority stakes in key subsidiaries and their consolidation into the parent company, setting the stage for a leaner, more scalable operating model.

Looking forward, the company is on a path of margin recovery. Strong top-line growth from both organic software revenues and increased international sales activity is beginning to offset prior investment-driven margin pressure. However, structural ceilings remain in the core IT services and System Integration segments, due to limited differentiation and competitive pressures from Western European providers leveraging near- and offshoring, as well as low-cost competitors from Asia.

Below-EBIT items historically exert only a minor influence, leaving net income closely aligned with operating profit. In a normalized environment, net financial results are marginally negative, in the low- to mid-six-digit range. FY 2022 was an exception, with a EUR 6.1m one-off loss on equity investments linked to the sale of the remaining Sirma AI (Ontotext) stake. Tax expenses reflect Bulgaria's favorable fiscal environment, with an effective rate averaging 8.9% from 2018–2024, consistently below the statutory 10% rate. Minority interests have historically been limited, averaging EUR 0.4m and peaking at EUR 0.8m in 2021.

In total, the historical and expected development of the net income and the net profit margin presents as follows:



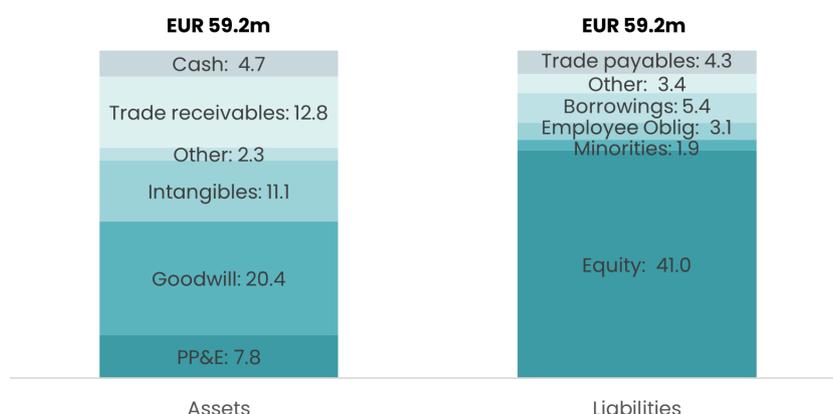
Source: Company, Montega

Balance sheet reflects asset-light business model

Sirma's balance sheet is characterized by a high proportion of intangible assets, representing around half of total assets.

Balance Sheet Structure

(as of 30.09.2025; in EUR m)



Source: Company, Montega

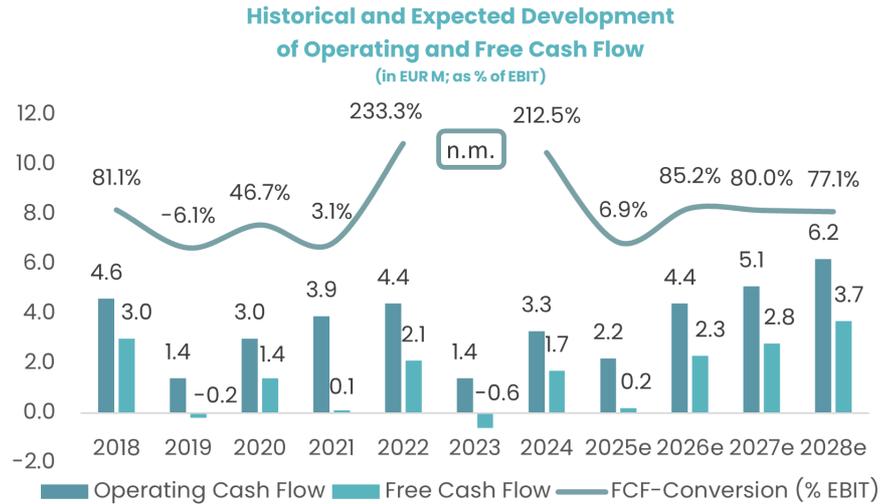
The Group's working capital structure is primarily defined by trade receivables of EUR 12.8m and trade payables of EUR 4.3m. Smaller components include inventories of EUR 0.6m and prepayments of EUR 0.9m as well as contract liabilities amounting to EUR 1.2m. As of the end of Q3 2025, total working capital stood at EUR 8.8m. It is important to note that working capital levels typically fluctuate throughout the fiscal year due to seasonality: while Sirma often settles supplier obligations in the first quarter, customer receipts are concentrated in the fourth quarter. Based on historical year-end values, the average working capital to revenue ratio stands at an average 9.9%.

Reflecting the asset-light nature of its business model, Sirma maintains a low amount of property, plant, and equipment, which mostly consists of buildings valued at EUR 5.8m. The Group's intangible asset base is centered around internally created software products of EUR 5.9m and rights to software modules amounting to EUR 1.6m. Furthermore, the balance sheet features significant goodwill from previous acquisitions of asset-light entities that possess low book values relative to their long-term earnings power. Key items include the goodwill associated with the Sciant acquisition (EUR 7.1m) and the Roweb transaction (EUR 5.1m).

On the liabilities side, the Group maintains a very conservative profile, with the capital structure being predominantly equity-based. Total borrowings are currently at a similar level to the Group's cash position, anchored by a major long-term credit facility from United Bulgarian Bank AD. This facility has an outstanding obligation of EUR 4.6m and is subject to a competitive variable interest rate based on the bank's short-term rate (2% as of February 2026) plus an annual premium of 2.9%.

While the current level of indebtedness remains low, management has clearly indicated ambitions for further inorganic expansion. A potential acquisition is envisioned for 2026, which would likely be debt-financed. This strategy is supported by the high availability of cost-effective bank financing in Bulgaria, providing Sirma with the necessary financial flexibility to execute its M&A strategy and fund future growth without compromising the overall stability of its balance sheet.

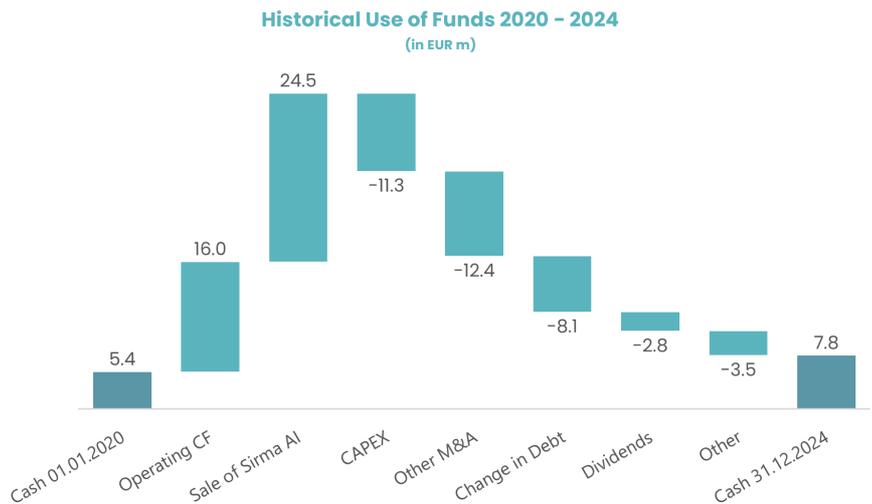
Solid free cash flow generation expected



Source: Company, Montega

Historically, Sirma’s cash flow profile has exhibited significant volatility, primarily driven by fluctuations in net working capital, such as the substantial build-ups observed in 2019 and 2021. Over the period 2018–2024, the Group maintained an average working capital ratio of approximately 9.9% relative to revenue. The chart highlights two exceptional spikes in Free Cash Flow (FCF) conversion relative to EBIT, which require specific context. In 2022, the conversion rate surged to over 200%, a technical anomaly caused by a significant one-off non-cash impairment that depressed EBIT. For 2025, we expect a reversal of this effect and correspondingly a temporarily depressed cash flow with a lower conversion rate. Looking further ahead, our forecast assumes a stabilized working capital development from 2026 onwards, growing largely in line with the increasing business volume. We anticipate a return to strong cash generation capabilities, modeling a sustainable FCF conversion rate between 77% and 85% of EBIT for the period 2026e–2028e.

To evaluate the Group’s cash generation capabilities and capital allocation strategy independently of annual fluctuations, we analyze the cumulative flows over the past five years. During this period, the cash balance increased from EUR 5.4m at the beginning of 2020 to EUR 7.8m at the end of 2024. As illustrated in the chart below, M&A activities acted as the primary driver on both sides of the ledger, dominating both inflows (through divestments) and outflows (through acquisitions).



Source: Company, Montega

Operating Cash Flow: Over the five-year period, Sirma generated a cumulative Operating Cash Flow of EUR 16.0m. This figure already accounts for a working capital build-up of EUR 2.1m, reflecting the capital requirements associated with the expanding business volume.

Sale of Sirma AI: The divestment of the subsidiary Sirma AI AD represented the single largest source of liquidity. In September 2022, a 76.2% stake was sold to Integral Venture Partners for a net cash consideration of EUR 15.0m, implying an Enterprise Value of EUR 24.1m. The exit was completed in March 2023 with the sale of the remaining stake for EUR 9.5m.

Other M&A Activities: On the buy-side, funds were primarily deployed for the acquisitions of Sciant AD and Roweb. Sciant was acquired in two steps: an initial 80% stake in 2021 for EUR 5.2m, which valued the company with an Enterprise Value of EUR 6.4m. With 2022 Revenues of EUR 7.0m and an EBITDA of EUR 1.1m, the forward EV/EBITDA was 5.6, implying an attractive valuation. The remaining shares were bought in 2023 for EUR 2.0m. In 2024, Sirma acquired 51% of Roweb for a total consideration of EUR 5.7m (EV: EUR 10.5m), of which EUR 4.0m was cash-effective in the reporting period. In the first nine months of 2025, Revenue was at EUR 5.2m and EBITDA at EUR 0.8m.

CAPEX: Capital expenditures totaled EUR 11.3m, split between EUR 8.0m for intangible assets and EUR 3.3m for Property, Plant & Equipment (PP&E). This distribution underscores the asset-light nature of the business model, characterized by low physical investment needs and a modest level of capitalized development costs.

Change in Debt: The liquidity events were utilized to significantly deleverage the balance sheet, resulting in a net debt repayment of EUR 8.1m. This has established a stable financial position, providing the Group with ample headroom to utilize debt financing for future acquisitions.

Dividends to shareholders of the holding company totaled EUR 2.8m. Following the Sirma AI exit, the company paid an interim dividend in 2023 for FY 2022, resulting in a total dividend of EUR 0.025 per share for that year. For FY 2023 and FY 2024, EUR 0.01 was paid out per share.

Other effects affecting the cash position primarily include share buybacks amounting to EUR 1.4m as well as dividends paid out to minority shareholders of subsidiaries.

Share price surging strongly in recent years

Following its IPO in November 2015, Sirma's share price initially traded sideways, failing to participate in the significant rally of the Bulgarian benchmark index SOFIX. Subsequently, both the stock and the general market entered a multi-year downtrend, which was further intensified by the COVID-19 pandemic. Notably, Sirma decoupled from the subsequent market recovery, languishing at depressed levels despite a temporary surge in August 2020, triggered by resilient Q1/20 results that initially indicated resiliency to the pandemic. A structural trend reversal was catalyzed in 2022 by the announced divestment of Sirma AI, which unlocked significant funds and drove a +65% gain for the year. Following a consolidation phase in 2023, momentum accelerated sharply: the stock gained approx. 30% in 2024 and more than doubled in 2025 (+102%). This rally has extended into the current year, with both Sirma and the wider market buoyed by the positive sentiment surrounding Bulgaria's official entry into the Eurozone.

Development of Share Price and Trading Volume
(in EUR; in k shares)



Source: Capital IQ, investing.com, BSE, Montega

Valuation reflects opportunities of the business model

Following the strong performance YTD, Sirma's shares currently trade at a 2025e EV/EBITDA multiple of 15.1x reflecting already the market's recognition the potential of the AI platform and services. We valued the company using a DCF model and also reviewed peer group multiples for context.

- **DCF model:** Our DCF model assumes a medium-term growth rate across the detailed and rough planning phases (2024 to 2031) of an average 11.4% per year, alongside an expansion of the EBIT margin from 1.5% (2024) to 10.0% in 2031. Applying a WACC of 9.9% XXX
- **Peer group analysis:** Our peer group includes seven IT service and system integration providers. While the analysis indicates significantly lower multiples for these peers, we believe the comparison has limited validity.

Conclusion

We expect the AI-Transformation of enterprises to be a key driver of future IT service activity. Sirma is strongly positioned here as a leading IT service provider in Bulgaria with decade-long experience with AI solutions. Its self-developed AI platform offers deployment and model flexibility that meets market requirements for cost efficiency and data sovereignty. Uncertainties remain, as AI could significantly reduce billable consultant days under the company's traditional personnel-based business model. With net debt of just EUR 0.7m, Sirma is well capitalized for the next growth phase, following an average 12.6% p.a. revenue increase over the past decade. Current profitability, while recovering, remains at a moderate level, temporarily compressed by strategic investments in R&D and international sales expansion, which should unlock future scalability. The company's experienced leadership is closely aligned with shareholder interests, with the founders serving as Chairman of the Board and CEO, respectively, and both owning the largest shareholdings. Based XXX

SWOT

Sirma delivers IT solutions and services focused on regulated sectors like finance, public services and hospitality. This diversified combination of vertical expertise, EU data sovereignty and cost advantages creates strong competitive edges. Meanwhile limited differentiation, size disadvantages and R&D pressures challenge margins and scalability.

Strengths

- **Proven Track Record and AI Specialization:** Founded in 1992, Sirma built significant trust in the financial and public sectors. Its AI leadership, proven by Ontotext's successful incubation and exit, provides a distinct advantage in the transition to enterprise automation.
- **Data Sovereignty and Geopolitical Security:** As a European provider, Sirma complies with EU data residency and GDPR, marking Data sovereignty a key differentiation for security-sensitive financial and public-sector clients amid geopolitical risks
- **Competitive Cost structure and Diversification:** Bulgaria's tax regime and labor costs give Sirma pricing advantages versus Western Europe with EU regulatory stability, while its diversified model across service lines and verticals hedges sector downturns through balanced growth exposure.

Weaknesses

- **Margin Constraints in Standardized Segments:** Sirma's main IT services and system integration show little differentiation from regional competitors, constraining margin potential and increasing exposure to price-based competition.
- **Size Disadvantages vs. Global Peers:** While among Bulgaria's larger IT service companies, Sirma competes with bigger international players that have significantly higher budgets. This scale disparity impedes the group's capacity to intensify expansion plans and major R&D investments.
- **Geographic concentration Risk:** As a primarily Bulgarian Player, Sirma remains to some degree exposed to local economic fluctuations, political circumstances and talent pools, potentially constraining scalability beyond regional markets

Opportunities

- **Sirma.ai Enterprise Platform:** Sirma's AI Enterprise Platform creates a strategic opportunity to compete effectively against larger players by delivering scalable, differentiated product solutions that enable market share gains in high-value enterprise segments
- **AI leveling the playing field:** AI capabilities significantly level the competitive landscape, enabling Sirma to challenge much larger companies in the product business through accelerated innovation, and enhanced sophistication without requiring equivalent R&D scale
- **Strategic Inorganic Growth:** Sirma pursues inorganic growth targeted acquisitions that deliver immediate earnings impact while strategically acquiring special talent, established customer relationships, or complementary technologies and products to strengthen its competitive position

Threats

- **AI-Driven Service Disruption:** AI advancements pose a threat to Sirma's traditional services by potentially automating software development tasks and reducing billable day's across consulting and project-based engagements
- **R&D Investment Margin Pressure:** Currently heavy investments in R&D projects like the AI Enterprise Platform are constraining near-term margins, with success hinging on timely commercialization and market adoption
- **Erosion of location advantage:** Intensifying competition for skilled engineers in Bulgaria's maturing IT ecosystem threatens Sirma's ability to attract and retain top talents essential for its AI and product initiatives. Accompanied wage inflation could gradually erode Sirma's pricing advantages relative to Western European competitors over time.

Valuation

We have conducted the evaluation of Sirma Group Holding based on a DCF model and reviewed the multiples of a peer group. The following presents the central model assumptions and the peer group.

DCF Model

Our DCF model reflects the medium- and long-term growth potential arising from the robust market demand for IT services, particularly AI-driven use cases, as well as Sirma's strategic expansion. The group's ongoing investments in R&D and international marketing are expected to act as an additional driver of top-line growth. Specifically, we project a revenue CAGR of 13.4% until 2028, underpinned by high visibility for strong growth in FY 2025. Further ahead we predict an average annual growth of 8.7% from 2028 to 2031 as well as an perpetual growth rate of 2.0% for the terminal value.

Regarding profitability, we do not anticipate a return to the historical EBITDA margins of approx. 20% (pre-2022 levels), as the current competitive landscape is marked by intensified pressure from both Western providers with nearshoring delivery centers and low-cost Asian competitors. However, we project a steady recovery from the recent trough. Driven by economies of scale and the diminishing dilutive effect of the initial investment phase into the Sirma.ai Enterprise Platform, we expect the EBITDA margin to rise from 5.8% (2024) to 7.7% in 2025e. We model a subsequent stabilization through 2027, followed by a gradual increase to 11.4% by 2031e. Reflecting the planned mix-shift towards high-margin software products, we assume a terminal value EBITDA margin of 12.4% (implying an EBIT margin of 10.0%).

For Net Working Capital, we forecast a more pronounced build-up in 2025e, primarily driven by the settlement of trade payables. Thereafter, we model a smoothed increase in tied-up capital in the mid six-digit EUR range, tracking the Group's expansion. While actual values may fluctuate annually due to project-specific billing cycles, the long-term trend reflects a stable capital requirement. Based on these assumptions, we project Free Cash Flows between EUR 0.6m and 3.7m in the detailed planning phase, rising to a range of EUR 4.8m to 7.7m in the medium-term planning period.

While the Group benefits from regional and vertical diversification, the rapid evolution of the technological landscape and the strategic pivot toward proprietary software products introduce a significant degree of uncertainty. We account for this risk profile with a beta of 1.5.

The risk-free return is assumed to be 2.5% based on long-term, fixed-income securities. A market return of 9.0% is assumed, resulting in a risk premium of 6.5% overall. We do expect Sirma to increase the debt financing for example to finance acquisitions and accordingly assume a debt ratio of 30%, so with equity costs of 12.25% and debt costs of 5.0%, a WACC of 9.93% results.

Based on our DCF model, XXX

DCF Model

Figures in EUR m

	2025e	2026e	2027e	2028e	2029e	2030e	2031e	Terminal Value
Sales	66.1	70.3	76.7	83.7	91.3	99.4	107.4	109.5
Change yoy	30.7%	6.4%	9.2%	9.1%	9.0%	8.9%	8.0%	2.0%
EBIT	2.9	2.7	3.5	4.8	6.3	7.8	9.7	11.0
EBIT margin	4.4%	3.9%	4.5%	5.8%	6.9%	7.8%	9.0%	10.0%
NOPAT	2.6	2.5	3.1	4.3	5.6	7.0	8.7	9.9
Depreciation	2.2	2.5	2.5	2.5	2.5	2.6	2.5	2.6
in % of Sales	3.3%	3.5%	3.2%	3.0%	2.8%	2.6%	2.4%	2.4%
Change in Liquidity from								
- Working Capital	-2.3	-0.5	-0.5	-0.6	-0.7	-0.8	-0.7	-0.2
- Capex	-2.0	-2.1	-2.3	-2.5	-2.7	-3.0	-2.9	-2.6
Capex in % of Sales	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.7%	2.4%
Other								
Free Cash Flow (WACC model)	0.6	2.4	2.8	3.7	4.8	5.9	7.7	9.7
WACC	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
Present value	0.6	2.2	2.4	2.8	3.3	3.7	4.4	63.9
Total present value	0.6	2.8	5.2	8.1	11.4	15.1	19.5	83.5

Valuation

Total present value (Tpv)	83.5
Terminal Value	63.9
Share of TV on Tpv	77%
Liabilities	6.1
Liquidity	7.8
Equity value	85.1

Number of shares (m)	57.8
Value per share (EUR)	1.5
+Upside / -Downside	17%
Share price (EUR)	1.26

Model parameter

Debt ratio	30.0%
Costs of Debt	5.0%
Market return	9.0%
Risk free rate	2.5%

Beta	1.5
WACC	9.9%
Terminal Growth	2.0%

Growth: sales and margin

Short term sales growth	2025-2028	8.2%
Mid term sales growth	2025-2031	8.4%
Long term sales growth	from 2032	2.0%
Short term EBIT margin	2025-2028	4.7%
Mid term EBIT margin	2025-2031	6.0%
Long term EBIT margin	from 2032	10.0%

Sensitivity Value per Share (EUR)

WACC	Terminal Growth				
	1.25%	1.75%	2.00%	2.25%	2.75%
10.43%	1.29	1.34	1.37	1.40	1.47
10.18%	1.33	1.39	1.42	1.45	1.53
9.93%	1.38	1.44	1.47	1.51	1.59
9.68%	1.43	1.49	1.53	1.57	1.66
9.43%	1.48	1.55	1.59	1.63	1.73

Sensitivity Value per Share (EUR)

WACC	EBIT-margin from 2032e				
	9.50%	9.75%	10.00%	10.25%	10.50%
10.43%	1.32	1.34	1.37	1.40	1.42
10.18%	1.37	1.39	1.42	1.45	1.47
9.93%	1.42	1.44	1.47	1.50	1.53
9.68%	1.47	1.50	1.53	1.56	1.59
9.43%	1.53	1.56	1.59	1.62	1.65

Source: Montega

Peer Group Analysis

The peer group primarily consists of other IT Service company, who are active in similar regions or have a comparable mix in the business model between IT services and system integration. The analysis is limited as reliable consensus data are lacking for several peers, most notably Bulgarian companies such as Telelink Business Services Group AD and Wiser Technology AD, which we have therefore excluded from the comparison.

- **DXC Technology** is a U.S.-based global IT services provider, offering a broad portfolio that includes IT outsourcing, cloud solutions, and legacy infrastructure modernization for large enterprise and government clients worldwide. In Bulgaria, DXC maintains a significant presence through its Global Delivery Center
- **Endava plc (UK)** provides digital transformation consulting and software engineering services. Romania serves as its primary delivery hub, hosting around one-third of all employees, while an additional 25% are located across other sites, including Bulgaria, which the company reports offer comparable operational advantages.
- **Bechtle AG** is the largest IT system house in Germany and a leading provider of IT e-commerce services in Europe. The company operates through two main segments: IT System House & Managed Services and IT E-commerce. Its business is heavily anchored in the DACH region and as a high share of public sector customers
- **Cancom SE** is a German IT service provider offering end-to-end solutions, including IT consulting, system design and integration, managed services, IT support, turnkey hardware and software implementation, and e-procurement and logistics.
- **audius SE** is German IT Service provider. The company is active in the three segments IT services, Software/Cloud and telecommunication, each responsible for around a third of revenue. Activities include the selling and system integration for IT equipment, custom software development and solutions based on Microsoft Dynamics.
- **Asseco Poland S.A.** is one of the largest software companies in Central and Eastern Europe and the parent company of the internationally active Asseco Group. The company is listed in Warsaw and operates in numerous European countries as well as in Israel and the United States. Its core business includes the development of proprietary industry-specific software solutions, particularly for banks, insurance companies, and the public sector, as well as IT services, system integration, and maintenance. The business model is characterized by a high share of recurring revenues and acquisition-driven growth.
- **Bittnet Systems SA** is a Romanian IT services, training, and cybersecurity company that evolved from the IT training business. Certified IT training programs often serve as an entry point for further services such as cloud migrations, infrastructure projects, and cybersecurity. Its clients include banks such as Banca Transilvania as well as companies like Orange Romania. Revenue is generated exclusively in Romania.

Our analysis shows that the identified peer group currently trades at significantly lower multiples across all key KPIs. For example, the median 2025e EV/EBITDA stands at 6.9x, compared with Sirma's 15.1x. Given Sirma's consistently higher growth profile, we believe the market is already pricing in a substantial part of its potential beyond the 2025e–2027e period covered by the peer comparison. Moreover, current margins appear temporarily compressed due to ongoing R&D investments. We expect profitability to improve thereafter, with margins reaching 8.7% by 2028, moving closer to the peer median.

Peergroup Sirma Group Holding

Company	EV (m LC)	EV / Sales				Growth yoy			
		2024	2025e	2026e	2027e	2024	2025e	2026e	2027e
DXC Technology Company	5,131	0.38	0.40	0.41	0.42	-5.3%	-5.8%	-1.6%	-2.4%
Endava plc	531	0.72	0.69	0.72	0.69	-6.8%	4.3%	-4.7%	4.0%
Bechtle AG	4,354	0.69	0.68	0.63	0.60	-1.8%	1.8%	6.9%	6.4%
Cancom SE	884	0.51	0.51	0.49	0.47	14.1%	-1.0%	4.4%	4.8%
audius SE	56	0.67	0.54	0.46	0.44	7.2%	22.9%	18.0%	6.0%
Asseco Poland S.A.	16,801	0.98	0.95	0.87	0.81	1.4%	3.7%	9.4%	7.1%
Bittnet Systems SA	122	0.30	0.52	0.51	0.48	12.5%	-42.1%	1.9%	5.9%
Median		0.7	0.5	0.5	0.5	1.4%	1.8%	4.4%	5.9%
Sirma Group Holding	77.0	1.5	1.2	1.1	1.0	22.8%	30.6%	6.4%	9.1%
Potential/Difference		-56%	-53%	-53%	-52%	21.4 PP	28.8 PP	2 PP	3.2 PP
Fair value per share		0.51	0.55	0.55	0.57				

Company	EV (m LC)	EV / EBITDA				EBITDA margin			
		2024	2025e	2026e	2027e	2024	2025e	2026e	2027e
DXC Technology Company	5,131	3.70	2.62	2.89	2.92	10.1%	15.2%	14.0%	14.2%
Endava plc	531	8.92	4.71	5.78	4.91	8.0%	14.6%	12.5%	14.2%
Bechtle AG	4,354	10.54	9.05	8.33	7.73	6.6%	7.5%	7.6%	7.7%
Cancom SE	884	7.82	8.63	7.35	6.79	6.5%	6.0%	6.7%	6.9%
audius SE	56	8.00	6.86	5.36	4.77	8.4%	7.9%	8.6%	9.1%
Asseco Poland S.A.	16,801	7.52	6.26	5.60	5.22	13.0%	15.1%	15.5%	15.5%
Bittnet Systems SA	122	9.33	15.29	35.97	6.37	3.2%	3.4%	1.4%	7.6%
Median		8.0	6.9	5.8	5.2	8.0%	7.9%	8.6%	9.1%
Sirma Group Holding	77.0	26.6	15.1	14.8	12.8	5.7%	7.7%	7.4%	7.8%
Potential/Difference		-70%	-55%	-61%	-59%	-2.3 PP	-0.2 PP	-1.2 PP	-1.3 PP
Fair value per share		0.33	0.53	0.45	0.47				

Company	EV (m LC)	EV/EBIT				EBIT margin			
		2024	2025e	2026e	2027e	2024	2025e	2026e	2027e
DXC Technology Company	5,131	30.91	5.04	5.39	5.57	1.2%	7.9%	7.5%	7.4%
Endava plc	531	15.49	5.93	7.86	6.49	4.6%	11.6%	9.2%	10.7%
Bechtle AG	4,354	12.39	13.27	11.92	10.87	5.6%	5.1%	5.3%	5.5%
Cancom SE	884	20.40	21.78	14.90	12.50	2.5%	2.4%	3.3%	3.8%
audius SE	56	11.41	10.23	7.81	6.62	5.9%	5.3%	5.9%	6.6%
Asseco Poland S.A.	16,801	9.33	9.29	7.83	7.14	10.5%	10.2%	11.1%	11.3%
Bittnet Systems SA	122	13.18	305.74	neg.	9.41	2.3%	0.2%	-0.3%	5.2%
Median		13.2	10.2	7.8	7.1	4.6%	5.3%	5.9%	6.6%
Sirma Group Holding	77.0	96.2	26.6	28.5	22.0	1.6%	4.4%	3.8%	4.6%
Potential/Difference		-86%	-61%	-72%	-68%	-3 PP	-0.9 PP	-2.1 PP	-2 PP
Fair value per share		0.11	0.44	0.29	0.36				

Company	Price (LC)	PE				FCF yield			
		2024	2025e	2026e	2027e	2024	2025e	2026e	2027e
DXC Technology Company	13.38	28.8	3.9	4.2	4.1	14.7%	13.4%	12.7%	12.9%
Endava plc	5.09	17.3	4.5	6.5	5.3	11.0%	9.0%	6.6%	10.5%
Bechtle AG	32.64	16.8	17.9	15.9	14.5	10.8%	4.0%	6.2%	6.6%
Cancom SE	23.65	23.0	25.7	17.5	14.5	19.3%	5.6%	7.9%	7.4%
audius SE	11.90	28.3	22.5	15.1	12.3	6.1%	-2.1%	10.0%	10.8%
Asseco Poland S.A.	176.30	23.1	13.1	20.4	18.6	9.8%	5.4%	10.5%	11.3%
Bittnet Systems SA	0.11	n.a.	neg.	neg.	11.1	n.a.	-14.5%	-5.9%	-3.8%
Median		23.1	15.5	15.5	12.3	10.9%	5.4%	7.9%	10.5%
Sirma Group Holding	1.26	n.a.	42.0	42.0	31.5	2.2%	0.3%	3.0%	3.6%
Potential/Difference		n.a.	-63%	-63%	-61%	-8.7 PP	-5.1 PP	-4.9 PP	-6.9 PP
Fair value per share		0.00	0.46	0.47	0.49				

Company Background

Sirma Group Holding is a leading software technology company from Bulgaria, headquartered in Sofia, specializing in Artificial Intelligence (AI), data management, and digital transformation. The company develops intelligent systems, proprietary software products, and tailored solutions for core industries including financial services, healthcare, logistics, manufacturing, retail, and the public sector. The product portfolio is diverse, featuring AI-driven conversational platforms, vertical-specific software solutions for industries like packaging and healthcare, as well as comprehensive services in cloud migration, cybersecurity, and system integration. Sirma positions itself as an end-to-end technology partner, combining pioneering AI expertise with deep vertical industry knowledge to provide mission-critical platforms and custom software development that can be deployed flexibly (cloud or on-premise) while ensuring data control and regulatory compliance. Their differentiation lies in their long-standing B2B focus and their ability to integrate a wide array of advanced technologies into robust, enterprise-grade solutions rather than relying on a single product or ecosystem.

Key Facts

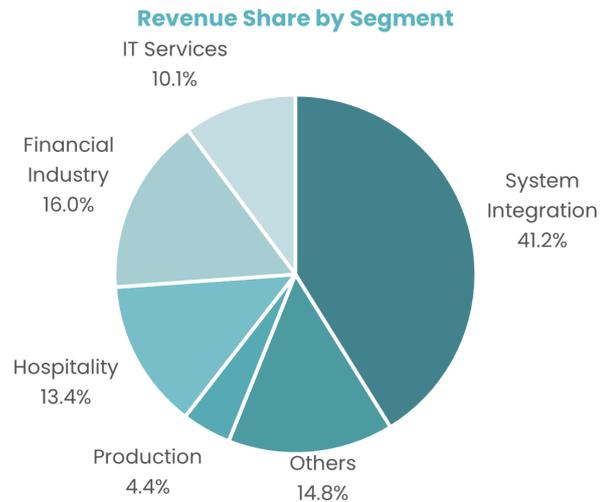
Sector	IT Services
Ticker	SGH
Employees	677
Revenue	EUR 50.6m
EBITDA	EUR 2.9m
EBITDA-Marge	5.8%
Business Model	Digital transformation solutions for global key industries through a combination of specialized software development, system integration, and proprietary AI platforms
Locations	Worldwide operations with headquarters in Sofia, Bulgaria and additional locations mainly in Europe & North America

Source: Company, Montega, as of: FY 2024

Key Events in Company History

- 1992 Foundation of Sirma Artificial Intelligence in Bulgaria & Canada
- 1998 Foundation of EngView Systems: Specializing in software for the packaging industry
- 2002 Collaboration with the leading Bulgarian bank for IT consulting and initiation & founding of the Bulgarian Association of Software Companies
- 2008 Establishment of the Daticum Data Center to meet the growing demand for cloud services, rental servers, server hosting, and enterprise solutions
- 2012 Launch of the Loyax platform for managing customer loyalty programs
- 2015 IPO on the Bulgarian Stock Exchange
- 2021 Acquisition of a majority stake in Sciant AD
- 2023 Complete takeover of Sciant AD
Establishment of Sirma AB in Sweden to penetrate Northern Europe, DACH, and BENELUX countries.
- 2024 Acquisition of a majority stake in Roweb Development
Comprehensive restructuring with the consolidation of six subsidiaries into the parent company.
- 2026e Planned dual listing with IPO on the Frankfurt Stock Exchange

Segments and Regions



Source: Company, as of FY 2024

System Integration: The System Integration segment serves as the group's domestic backbone, focusing on the sale of hardware systems, professional setup, and ongoing maintenance, increasingly complemented by DevOps services. The target market primarily consists of the Bulgarian public sector as well local multinational companies with operations in Bulgaria, particularly in the financial and healthcare industries.

Financial Industry: Sirma is a dominant player in the Bulgarian financial market, counting approximately 60% of the country's financial institutions as clients. The segment specializes in core banking implementations (Oracle FlexCube, Temenos T24) and regulatory reporting solutions (e.g., RepXpress). The group acts as a strategic partner for institutions on their path toward digitization and the implementation of artificial intelligence.

Hospitality: The Hospitality segment provides IT solutions to hotel groups and tour operators, focusing on a stable model of software development and integration adapter services. In 2024, the segment successfully expanded into Western Europe and North America, developing its subscription-based Managed Integration Services (MIS) system which grew by an average of 10% monthly.

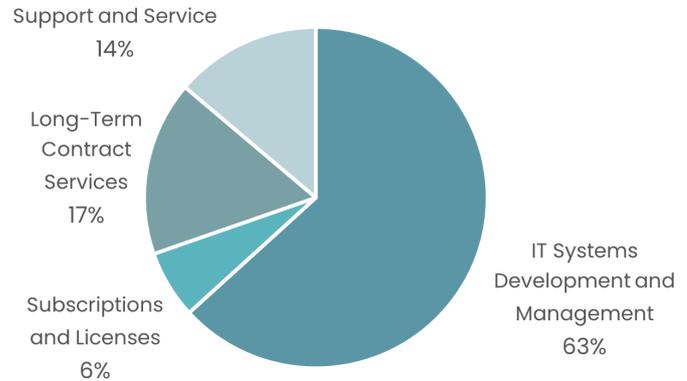
IT Services: This horizontal segment provides cross-industry custom software development, IT consulting, and managed services. With a regional focus on the UK, DACH, Belgium, Scandinavia, and Romania, the segment handles a wide variety of complex mandates. The revenue share grew significantly from the quoted 2024 value with the Roweb acquisition at the end of the year.

Production: The Production segment, operated by subsidiary EngView Systems AD, provides software and hardware solutions for Metrology, Quality Management, and automation of the packaging industry. The segment serves a global market of packaging and display manufacturers via an expanding network of distributors, with sales directed mainly to Europe and the USA.

Strategic Development: The Strategic Development segment functions as the group's internal incubator, housing knowledge-based verticals such as retail, logistics, transportation, and healthcare that have not yet reached standalone maturity. Beyond business development, this segment also consolidates non-allocable group costs, including the central Research Lab and corporate overhead. Consequently, while it is a vital engine for long-term innovation and the source of future growth pillars, the segment's bottom line is typically negative.

Since 2025, Sirma also breaks down its recurring revenue in its reports. Therefore, the following numbers refer to the first three quarters of 2025.

Recurring Revenue by Type
(in 9M 2025)



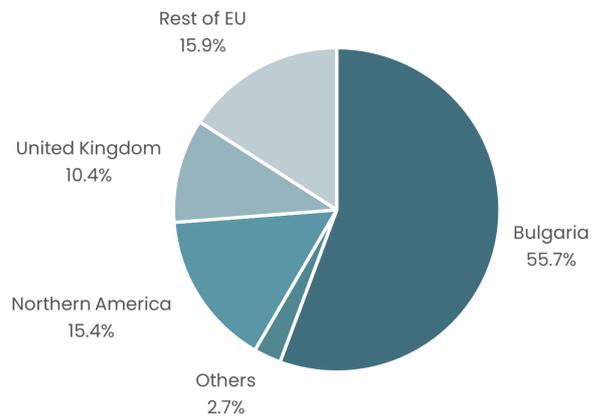
IT Systems Development and Management: Under this long-term model, the company takes full accountability for managing and optimising IT systems to improve security and operational reliability. Given the profound understanding of the client’s internal requirements, these engagements are typically enduring and provide stable, predictable financial forecasts over the reporting periods.

Long-Term Contract Services: These engagements are based on agreements that renew automatically unless notice is given. They primarily concern the development of key software systems where displacing the incumbent supplier is rare and practiced only as a last resort. Consequently, this model provides high levels of stability and foresight for reporting periods

Support and Service: This encompasses activities related to sustaining seamless software and hardware function, achieved through prompt problem resolution, scheduled updates, and ongoing operational assistance. Such services are usually governed by long-term or perpetual contracts that establish significant, reciprocal obligations

Subscriptions and Licenses: Subscriptions involve periodic fees (e.g., monthly or yearly) in exchange for service access. Despite the flexibility to cancel, the model demonstrates high stability, as fewer than 10% of customers terminate their agreements annually.

Revenue by region 2024



Source: Company, Montega

Over half of the group’s revenue is generated in the Bulgarian market. This is mostly because of the domestic Focus of the System Integration segment, where over 90% of revenues are generated in in Bulgaria. The service business is more regionally balanced between Bulgaria, Europe ex. Bulgaria and the United States.

Management

With Georgi Marinov and Tsvetan Alexiev, two of Sirma’s founders continue to lead the company. Owing to their long-standing operational involvement, they bring deep institutional expertise and strategic continuity, while their positions as the company’s largest shareholders ensure strong alignment with minority investors.



Georgi Marinov has been the Chairman of the Board of Directors of Sirma Group Holding since the company’s founding and has shaped the strategic development of the company for more than three decades. The trained computer scientist and economist graduated in 1991 from the Technical University of Sofia with both a Master’s in Computer Science and in International Business.



Since 2000, Co-founder **Tsvetan Alexiev** has been at the helm of Sirma Group Holding as CEO. Within the group, he was also the CEO of the subsidiary Sirma Solutions (2002–2024) and Chairman of the Board of Sirma Business Consulting (2007–2024). After studying computer science at the Technical University of Sofia, Alexiev started working for Sirma in 1992 as a software developer. His focus is on the development of products and services for several core areas, particularly finance, healthcare, transportation and logistics, hospitality, and industrial measurement and packaging technology..

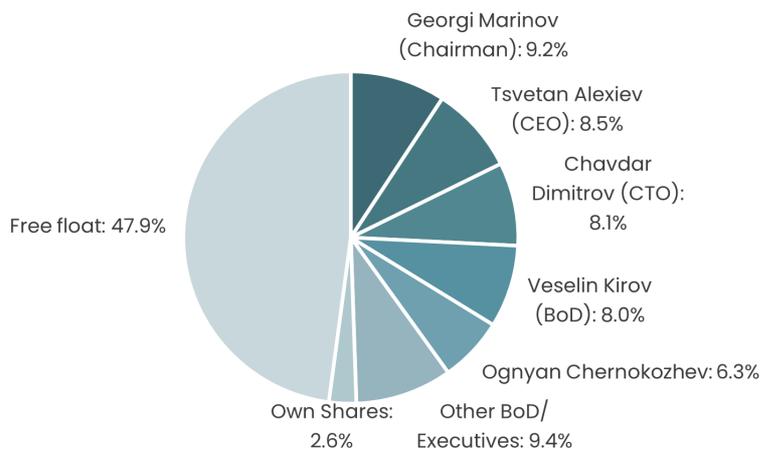


Yordan Nedev has been the CFO of Sirma Group Holding since 2014. Previously, he held various leadership positions, including as Managing Director of Bianor as well as the state-owned Bulgarian railway holding. Additionally, he led MMD Partners as a managing partner and was at the helm of companies such as MMD Scale, CEE Securities, and Investor.bg. He began his career as a consultant at Roland Berger Strategy Consultants, where he participated in privatization projects in the electronics industry.

Shareholder Structure

Shareholder structure

(as of 31.12.2025)



A significant portion of the company’s 59.4m outstanding shares is held by insiders, with executives and members of the Board collectively owning 43.2%. The largest shareholders are the co-founders, Georgi Marinov, who currently serves as Chairman of the Board, and CEO Tsvetan Alexiev. In addition, shareholders with stakes above 1% who are not involved in the company’s operations collectively hold a further 32% of the shares.

DCF Model

Figures in EUR m

	2025e	2026e	2027e	2028e	2029e	2030e	2031e	Terminal Value
Sales	66.1	70.3	76.7	83.7	91.3	99.4	107.4	109.5
Change yoy	30.7%	6.4%	9.2%	9.1%	9.0%	8.9%	8.0%	2.0%
EBIT	2.9	2.7	3.5	4.8	6.3	7.8	9.7	11.0
EBIT margin	4.4%	3.9%	4.5%	5.8%	6.9%	7.8%	9.0%	10.0%
NOPAT	2.6	2.5	3.1	4.3	5.6	7.0	8.7	9.9
Depreciation	2.2	2.5	2.5	2.5	2.5	2.6	2.5	2.6
in % of Sales	3.3%	3.5%	3.2%	3.0%	2.8%	2.6%	2.4%	2.4%
Change in Liquidity from								
- Working Capital	-2.3	-0.5	-0.5	-0.6	-0.7	-0.8	-0.7	-0.2
- Capex	-2.0	-2.1	-2.3	-2.5	-2.7	-3.0	-2.9	-2.6
Capex in % of Sales	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.7%	2.4%
Other								
Free Cash Flow (WACC model)	0.6	2.4	2.8	3.7	4.8	5.9	7.7	9.7
WACC	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
Present value	0.6	2.2	2.4	2.8	3.3	3.7	4.4	63.9
Total present value	0.6	2.8	5.2	8.1	11.4	15.1	19.5	83.5

Valuation

Total present value (Tpv)	83.5
Terminal Value	63.9
Share of TV on Tpv	77%
Liabilities	6.1
Liquidity	7.8
Equity value	85.1

Number of shares (m)	57.8
Value per share (EUR)	1.5
+Upside / -Downside	17%
Share price (EUR)	1.26

Model parameter

Debt ratio	30.0%
Costs of Debt	5.0%
Market return	9.0%
Risk free rate	2.5%

Beta	1.5
WACC	9.9%
Terminal Growth	2.0%

Growth: sales and margin

Short term sales growth	2025-2028	8.2%
Mid term sales growth	2025-2031	8.4%
Long term sales growth	from 2032	2.0%
Short term EBIT margin	2025-2028	4.7%
Mid term EBIT margin	2025-2031	6.0%
Long term EBIT margin	from 2032	10.0%

Sensitivity Value per Share (EUR)

WACC	Terminal Growth				
	1.25%	1.75%	2.00%	2.25%	2.75%
10.43%	1.29	1.34	1.37	1.40	1.47
10.18%	1.33	1.39	1.42	1.45	1.53
9.93%	1.38	1.44	1.47	1.51	1.59
9.68%	1.43	1.49	1.53	1.57	1.66
9.43%	1.48	1.55	1.59	1.63	1.73

Sensitivity Value per Share (EUR)

WACC	EBIT-margin from 2032e				
	9.50%	9.75%	10.00%	10.25%	10.50%
10.43%	1.32	1.34	1.37	1.40	1.42
10.18%	1.37	1.39	1.42	1.45	1.47
9.93%	1.42	1.44	1.47	1.50	1.53
9.68%	1.47	1.50	1.53	1.56	1.59
9.43%	1.53	1.56	1.59	1.62	1.65

Source: Montega

P&L (in EUR m) Sirma Group Holding JSC	2022	2023	2024	2025e	2026e	2027e
Sales	40.1	41.2	50.6	66.1	70.3	76.7
Increase / decrease in inventory	-0.1	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	40.0	41.2	50.6	66.1	70.3	76.7
Material Expenses	17.4	18.9	24.7	32.2	30.9	32.9
Gross profit	22.6	22.2	25.9	33.9	39.4	43.8
Personnel expenses	17.6	19.9	22.5	27.5	32.1	35.9
Other operating income	0.7	1.1	1.0	1.7	2.5	2.3
Other operating expenses	0.9	0.4	0.6	0.3	0.4	0.4
EBITDA	5.2	1.6	2.9	5.1	5.2	6.0
Depreciation of fixed assets	0.9	0.7	0.8	0.8	1.1	1.1
EBITA	4.3	0.9	2.1	4.3	4.1	4.9
Amortisation of intangible fixed assets	3.4	1.2	1.3	1.3	1.4	1.4
Impairment charges and amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.9	-0.3	0.8	2.9	2.7	3.5
Financial result	-6.7	-0.4	0.0	-0.4	-0.1	-0.1
Recurring pretax income from cont. operations	-5.7	-0.7	0.8	2.5	2.7	3.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-5.7	-0.7	0.8	2.5	2.7	3.4
Taxes total	-0.2	0.0	0.2	0.2	0.3	0.3
Net income from continuing operations	-5.5	-0.7	0.6	2.2	2.4	3.1
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	-5.5	-0.7	0.6	2.2	2.4	3.1
Minority interest	0.4	0.2	0.3	0.7	0.7	0.8
Net income	-5.9	-0.9	0.3	1.6	1.7	2.3

Source: Company (reported results), Montega (forecast)

P&L (in % of Sales) Sirma Group Holding JSC	2022	2023	2024	2025e	2026e	2027e
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Increase / decrease in inventory	-0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Own work capitalised	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%
Material Expenses	43.4%	46.0%	48.8%	48.8%	44.0%	42.9%
Gross profit	56.5%	54.0%	51.2%	51.2%	56.0%	57.1%
Personnel expenses	43.8%	48.4%	44.5%	41.5%	45.6%	46.8%
Other operating income	1.9%	2.6%	2.0%	2.5%	3.5%	3.0%
Other operating expenses	2.2%	1.0%	1.1%	0.5%	0.5%	0.5%
EBITDA	13.0%	4.0%	5.8%	7.7%	7.4%	7.8%
Depreciation of fixed assets	2.1%	1.8%	1.6%	1.2%	1.6%	1.4%
EBITA	10.8%	2.2%	4.2%	6.5%	5.8%	6.3%
Amortisation of intangible fixed assets	8.5%	2.9%	2.7%	2.0%	1.9%	1.8%
Impairment charges and amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT	2.4%	-0.7%	1.5%	4.4%	3.9%	4.5%
Financial result	-16.7%	-1.1%	0.0%	-0.7%	-0.1%	-0.1%
Recurring pretax income from cont. operations	-14.3%	-1.8%	1.5%	3.8%	3.8%	4.5%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBT	-14.3%	-1.8%	1.5%	3.8%	3.8%	4.5%
Taxes total	-0.5%	0.0%	0.4%	0.4%	0.4%	0.4%
Net income from continuing operations	-13.8%	-1.8%	1.1%	3.4%	3.4%	4.0%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income before minorities	-13.8%	-1.8%	1.1%	3.4%	3.4%	4.0%
Minority interest	0.9%	0.5%	0.6%	1.0%	1.0%	1.0%
Net income	-14.7%	-2.3%	0.5%	2.4%	2.4%	3.0%

Source: Company (reported results), Montega (forecast)

Balance sheet (in EUR m) Sirma Group Holding JSC	2022	2023	2024	2025e	2026e	2027e
ASSETS						
Intangible assets	24.1	23.8	31.3	31.5	31.6	32.0
Property, plant & equipment	5.1	5.2	7.4	7.5	7.3	7.2
Financial assets	9.5	0.0	0.0	0.0	0.0	0.0
Fixed assets	38.6	29.1	38.7	38.9	38.9	39.2
Inventories	0.3	1.1	0.9	1.1	1.2	1.3
Accounts receivable	8.4	8.0	11.8	12.9	13.8	15.0
Liquid assets	10.8	7.5	7.8	7.1	8.2	9.7
Other assets	4.4	3.2	1.5	1.5	1.5	1.5
Current assets	23.9	19.8	21.9	22.6	24.7	27.5
Total assets	62.5	48.8	60.6	61.5	63.6	66.7
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	43.7	38.6	41.3	42.3	43.1	44.6
Minority Interest	2.6	2.1	2.0	2.6	3.3	4.1
Provisions	0.2	0.4	0.4	0.5	0.5	0.6
Financial liabilities	7.6	1.3	3.8	3.8	3.8	3.9
Accounts payable	1.8	2.4	7.8	5.4	5.8	6.3
Other liabilities	6.6	4.1	5.3	6.9	7.0	7.3
Liabilities	16.3	8.1	17.4	16.6	17.2	18.0
Total liabilities and shareholders' equity	62.5	48.8	60.6	61.5	63.6	66.7

Source: Company (reported results), Montega (forecast)

Balance sheet (in %) Sirma Group Holding JSC	2022	2023	2024	2025e	2026e	2027e
ASSETS						
Intangible assets	38.6%	48.9%	51.7%	51.1%	49.8%	47.9%
Property, plant & equipment	8.1%	10.7%	12.2%	12.1%	11.5%	10.8%
Financial assets	15.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Fixed assets	61.8%	59.5%	63.9%	63.3%	61.2%	58.7%
Inventories	0.5%	2.2%	1.4%	1.8%	1.9%	1.9%
Accounts receivable	13.4%	16.3%	19.4%	21.0%	21.7%	22.5%
Liquid assets	17.3%	15.4%	12.8%	11.5%	12.9%	14.6%
Other assets	7.0%	6.6%	2.4%	2.4%	2.3%	2.2%
Current assets	38.2%	40.5%	36.1%	36.7%	38.8%	41.3%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	69.9%	79.1%	68.1%	68.8%	67.8%	66.8%
Minority Interest	4.1%	4.3%	3.2%	4.3%	5.2%	6.1%
Provisions	0.4%	0.8%	0.7%	0.8%	0.9%	0.9%
Financial liabilities	12.1%	2.6%	6.2%	6.2%	6.0%	5.8%
Accounts payable	3.0%	4.9%	12.9%	8.8%	9.1%	9.5%
Other liabilities	10.6%	8.4%	8.8%	11.1%	11.0%	10.9%
Total Liabilities	26.0%	16.7%	28.6%	26.9%	27.0%	27.0%
Total Liabilities and Shareholders' Equity	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company (reported results), Montega (forecast)

Statement of cash flows (in EUR m) Sirma Group Holding JSC	2022	2023	2024	2025e	2026e	2027e
Net income	-5.5	-0.7	0.6	2.2	2.4	3.1
Depreciation of fixed assets	0.9	0.7	0.8	0.8	1.1	1.1
Amortisation of intangible assets	3.4	1.2	1.3	1.3	1.4	1.4
Increase/decrease in long-term provisions	0.0	0.1	0.1	0.1	0.1	0.0
Other non-cash related payments	3.5	3.3	-1.9	0.0	0.0	0.0
Cash flow	2.2	4.6	0.9	4.4	4.9	5.6
Increase / decrease in working capital	2.2	-3.1	2.5	-2.3	-0.5	-0.5
Cash flow from operating activities	4.4	1.4	3.3	2.2	4.4	5.1
CAPEX	-2.3	-2.0	-1.6	-2.0	-2.1	-2.3
Other	12.1	6.6	-3.3	0.0	0.0	0.0
Cash flow from investing activities	9.9	4.6	-5.0	-2.0	-2.1	-2.3
Dividends paid	-0.7	-1.5	-0.6	-0.6	-0.9	-0.9
Change in financial liabilities	-6.1	-6.7	2.6	-0.3	-0.3	-0.4
Other	-2.5	-1.0	-0.2	0.0	0.0	0.0
Cash flow from financing activities	-9.2	-9.2	1.9	-0.9	-1.2	-1.2
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Change in liquid funds	5.1	-3.2	0.3	-0.7	1.1	1.5
Liquid assets at end of period	5.1	-3.2	0.3	7.1	8.2	9.7

Source: Company (reported results), Montega (forecast)

Key figures Sirma Group Holding JSC	2022	2023	2024	2025e	2026e	2027e
Earnings margins						
Gross margin (%)	56.5%	54.0%	51.2%	51.2%	56.0%	57.1%
EBITDA margin (%)	13.0%	4.0%	5.8%	7.7%	7.4%	7.8%
EBIT margin (%)	2.4%	-0.7%	1.5%	4.4%	3.9%	4.5%
EBT margin (%)	-14.3%	-1.8%	1.5%	3.8%	3.8%	4.5%
Net income margin (%)	-13.8%	-1.8%	1.1%	3.4%	3.4%	4.0%
Return on capital						
ROCE (%)	1.7%	-0.8%	2.1%	7.2%	6.5%	8.1%
ROE (%)	-10.2%	-2.0%	0.6%	3.6%	3.8%	5.0%
ROA (%)	-9.4%	-1.9%	0.4%	2.6%	2.7%	3.5%
Solvency						
YE net debt (in EUR)	-3.0	-6.0	-3.6	-2.9	-3.9	-5.4
Net debt / EBITDA	-0.6	-3.6	-1.2	-0.6	-0.7	-0.9
Net gearing (Net debt/equity)	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Cash Flow						
Free cash flow (EUR m)	2.1	-0.6	1.7	0.2	2.3	2.8
Capex / sales (%)	5.2%	8.7%	0.3%	3.0%	3.0%	3.0%
Working capital / sales (%)	11.0%	10.7%	9.7%	7.5%	9.0%	8.9%
Valuation						
EV/Sales	1.9	1.9	1.5	1.2	1.1	1.0
EV/EBITDA	14.8	46.8	26.4	15.1	14.8	12.9
EV/EBIT	81.8	-	100.6	26.2	28.1	22.1
EV/FCF	35.8	-	44.3	369.8	33.1	27.8
PE	-	-	276.9	42.0	42.0	31.5
P/B	1.7	1.9	1.8	1.7	1.7	1.6
Dividend yield	2.0%	0.8%	0.8%	1.2%	1.2%	1.6%

Source: Company (reported results), Montega (forecast)

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Company	Disclosure (as of 18.02.2026)
SIRMA GROUP HOLDING	1, 8, 9

Price history

Recommendation	Date	Price (EUR)	Price target (EUR)	Potential
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...
...
...				