



**Sirma**

# **Annual Separate Management Report**

of "Sirma Group Holding" JSC  
according to Annex N10 of Ordinance 2  
to Article 32, Paragraph 1, Item 2, Article  
35, Paragraph 1, Item 2, Article 41,  
Paragraph 1, Item 2  
for 2022

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# 1/ STATEMENT BY THE BOARD OF DIRECTORS OF "SIRMA GROUP HOLDING" JSC

The present annual separate management report of „Sirma Group Holding“ JSC covers the period, ending on 31 December 2022 and is prepared in accordance with the provisions of Article 39 of the Accountancy Law and Art. 100o, para. 2 and 5 of the Law on the Public Offering of Securities (POSA), including also the established events, occurring after the end of the reporting period. The structure of this report is in accordance with Annex 9, 10 and Appendix 11 to Article 32a (2) of Ordinance No. 2.

The board of directors of the holding confirms that:

- there were no irregularities in which managers or employees were involved, which may be material to the separate financial statements;
- all material transactions are duly accounted for and reflected in the annual separate financial statements as at 31 December 2022;
- there is no actual or potential breach of laws and (or) other regulatory provisions that would have a material impact on the separate financial statements or could serve as a basis for reporting contingent losses;
- there are no legal or other restrictions on the flow of funds;
- there are no known trends, requests, commitments, events or occasional circumstances for which we could reasonably expect to affect the company as a whole

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

The words "purpose", "predict", "accept", "believe", "in the future", "we could", "rely", "we are confident", "appreciate", "expect", "we intend", "we can", "can", "prospect", "plan", "project", "predict", "would" and other similar expressions are intended to identify these forward-looking statements. Such estimates are, for example, those made in the Business Results section of our quantitative and qualitative disclosures about market risk in accordance with International Financial Reporting Standards (IFRS), namely IFRS 7 and related statements in our Notes to the financial statements, our prospects for development, and other forecast information that appears in other parts of this report. Unless required by law, we do not commit and we

have no obligation to update or revise predictive statements as a result of new information we have received about the conditions that existed at the time of this report, future events, or otherwise unless we are obliged to do so under the law.

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

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

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

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

The reporting period is the financial period ending on 31.12.2022. The report includes the activity of "Sirma Group Holding" JSC.



## 2/ ORGANIZATION AND WAY OF PRESENTATION

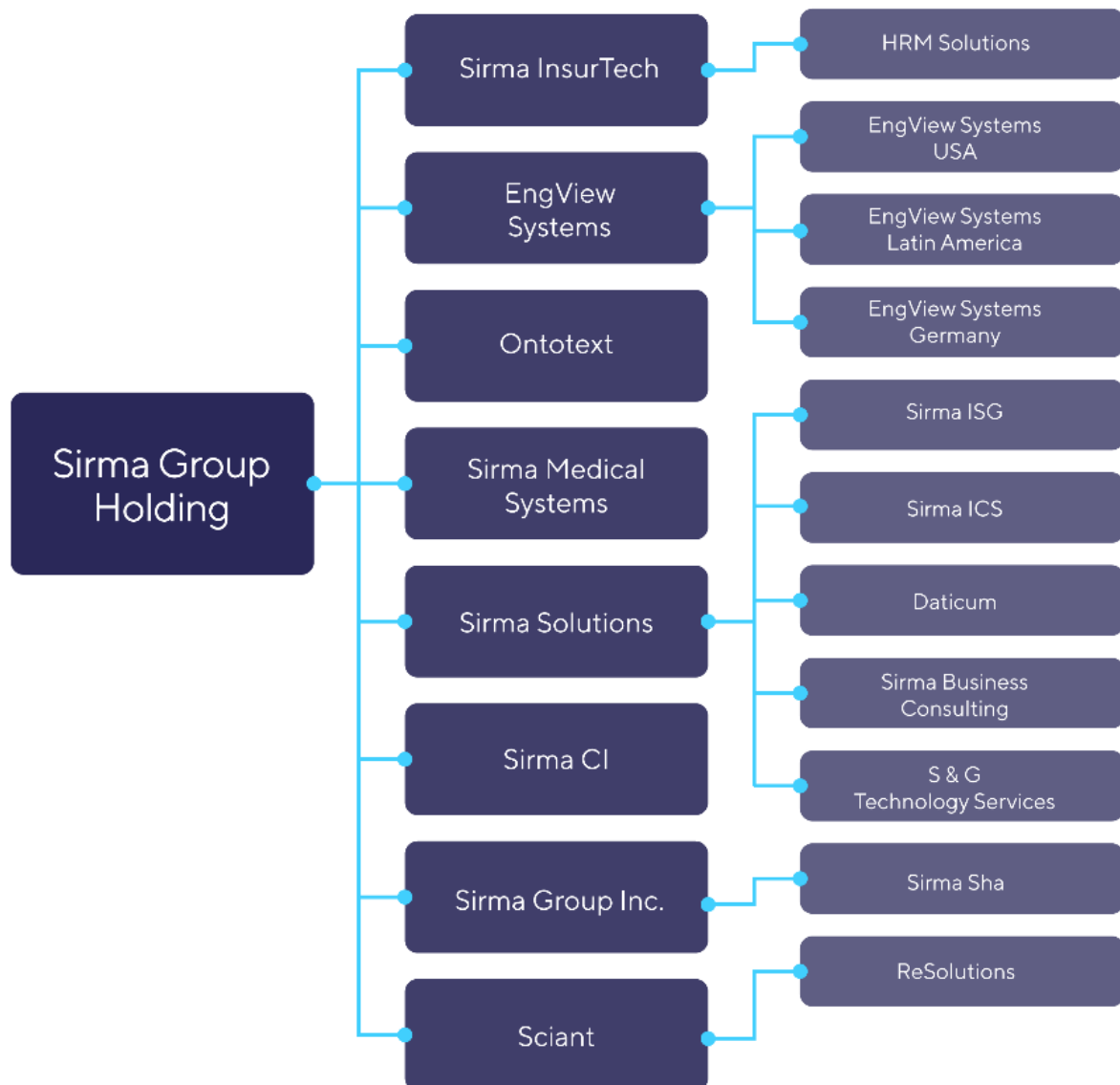
"Sirma Group Holding" JSC is a holding company which invests in technological businesses. It provides its subsidiaries with strategical and operational management as well as administrative, marketing and financial services.

Over the years, Sirma has created over 20 companies and has invested a tremendous financial and human capital in

these. Our strategy is to create, incubate and develop businesses.

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

### 2.1. Group structure





## HISTORY AND DEVELOPMENT OF THE COMPANY

"Sirma Group Holding" JSC is a holding company registered on 25.04.2008 in the Commercial Register under UIC 200101236, with principal place of business and registered office: BULGARIA, Sofia (capital), Sofia municipality, city, Sofia, 1784, Mladost area, bul. Tsarigradsko Shosse, No 135.

The name of the company was changed on 23.03.2009, from "SGH" JSC to "Sirma Group Holding" JSC. "Sirma Group Holding" JSC is not a limited life entity.

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

### Changes in the principal activity:

On 23.03.2009 "Sirma Group Holding" changed its principal activity as follows: Acquisition, management, evaluation and sale of interest in Bulgarian and foreign entities; acquisition, evaluation and sale of patents, granting of licenses to use patents of the entities in which the company holds interests, financing the entities in which the company holds shares, organizing their accounting and compiling financial statements under the Law of Accounting. On The company may also carry out its own commercial activity,

which is not prohibited by law. 04.07.2012 the subject of activity was changed to the current one.

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

Since the incorporation of the company until the date of this document, "Sirma Group Holding" JSC:

- has not transferred or established a pledge of the enterprise;
- has not filed claims for the opening of insolvency proceedings of the company;
- has not received tenders from third parties to purchase the Company or from the Company to purchase other companies;

## CAPITAL

The share capital of the company amounts to BGN 59 360 518, divided into 59 360 518 dematerialized shares with nominal value of BGN 1.

- On 30.10.2015, after a successful initial public offering, the capital was increased to BGN 59 360 518 by issuing 9 523 362 new shares with nominal value per share BGN 1 and issue price BGN 1,20

Non-monetary contributions - description:

1. Software representing 29 (twenty nine) software modules.

**Amount: BGN 61 555 838**

2. 81 960 number of ordinary registered shares of "Sirma Group" JSC, the company registered in the Commercial Register to the Registry Agency under UIC 040529004.  
**Amount: BGN 11 734 980**

3. Real Estate - Floor 3 of an office building "IT - Center Office Express" in Sofia, bul. "Tsarigradsko Shosse " N 135 with an area 796, 50 square meters, pursuant to Deed of buying and selling real estate N 126, Volume I, reg. N 4551, case N 116 from 23.04.2003 and 5 floor of an office building "IT - center office Express" in Sofia bul. " Tsarigradsko Shosse " N 135 with area 281.81 square meters, according to Deed of sale of real estate N 86, Volume 4, Reg. N 10237, Case N 592 of 23.12.2004  
**Amount: BGN 3 911 660**

**Total Amount: BGN 77 202 478**

Non-cash contributions are detailed in Article 7, paragraph 3 of the Articles of Association of the Company.



## HISTORY OF SHAREHOLDER CAPITAL

- Through an initial public offering, according to a resolution of the GMS dated 04.12.2014, an increase of the capital of "Sirma Group Holding" JSC was registered on 30.10.2015, increasing the capital to BGN 59 360 518 BGN.

- During the transformation entered in the Commercial Register on 23.10.2014, the Company's capital is reduced to 49 837 156 BGN through the cancellation of 23 503 662 shares. This decrease is a result of the estimated fair value of the shares of "Sirma Group Holding" JSC by three independent valuers. The shareholding structure of the Company does not change as a result of the separation until the shareholding structures in the transforming and newly established companies are mirrored.

- On 22.10.2010, as a result of the decision of the regular annual general meeting of the Company's shareholders, a reduction of the capital of "Sirma Group Holding" JSC from 77 252 478 BGN to 73 340 818 BGN was recorded through the cancellation of 3 911 660 shares with a par value of one each. The Company's capital was reduced on the basis of Art. 200, para. 2, in conjunction with Art. 187f, par. 1, item 2n in Bulgarian commercial law.

- On 15.10.2008 after the adoption of three triple expert appraisals, the share capital is increased from 50 000 BGN to 77 252 478 BGN through non-cash contributions by issuing new 77 202 478 shares as follows:

- 1) 29 software modules worth 61 555 838 BGN;

- 2) Non-monetary contribution representing real estate amounting to 3 911 660 BGN:

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

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

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

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

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

## 3/ PORTFOLIO OF "SIRMA GROUP HOLDING" JSC

### Subsidiaries of "Sirma Group Holding" JSC

| Company               | Value of the investment at 31.12.2022 (BGN'000) | Percentage of capital at 31.12.2022 | Percentage of voting rights at 31.12.2022 | Value of the investment at 31.12.2021 (BGN'000) | Percentage of capital at 31.12.2021 | Percentage of voting rights at 31.12.2021 |
|-----------------------|---|-------------------------------------|---|---|-------------------------------------|---|
| Sirma Solutions       | 39 686  | 80,11%                              | 100,00%                                   | 39 311  | 77,71%                              | 82,43%                                    |
| SAI AD (Ontotext AD)  | 12 505  | 84,56%                              | 100,00%                                   | 17 865  | 87,65%                              | 90,44%                                    |
| Impairment            | (5 360)   | -                                   | -   | -   | -                                   | -   |
| Sciant                | 10 237  | 80,00%                              | 80,00%                                    | 10 237  | 80,00%                              | 80,00%                                    |
| Sirma Group Inc.      | 3 471   | 76,30%                              | 76,30%                                    | 3 471   | 76,30%                              | 76,30%                                    |
| Sirma InsurTech       | 914   | 55,00%                              | 55,00%                                    | -   | -                                   | -   |
| Sirma CI              | 106   | 80,00%                              | 80,00%                                    | 106   | 80,00%                              | 80,00%                                    |
| Sirma Medical Systems | 66  | 66,00%                              | 66,00%                                    | 66  | 66,00%                              | 66,00%                                    |
| Engview Systems       | 50  | 72,90%                              | 72,90%                                    | 50  | 72,90%                              | 72,90%                                    |
| Sirma AI              | -   | -                                   | -   | 7 035   | 100,00%                             | 100,00%                                   |
| <b>Total</b>          | <b>67 035</b>                                   |                                     |   | <b>78 141</b>                                   |                                     |   |

## INFORMATION ON PARTICIPATION

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

The company has no branches.



## 4/ STRUCTURE OF SHAREHOLDERS CAPITAL AND MANAGEMENT AUTHORITIES

### 4.1. Distribution of share capital

As of 31.12.2022 the distribution of the share capital of "Sirma Group Holding" is as follows:

|  | 31.12.2022 | 31.12.2021 |
|--|------------|------------|
| Share capital (in thousands)             | 59 361     | 59 361     |
| Number of shares (par value of BGN 1.00) | 59 360 518 | 59 360 518 |
| Total number of registered shareholders  | 1 033      | 1 026      |
| Including legal entities                 | 40         | 45         |
| individuals                              | 993        | 981        |
| Number of shares held by legal entities  | 5 286 591  | 8 517 822  |
| % Of participation of entities           | 8,91%      | 14,35%     |
| Number of shares held by individuals     | 54 073 927 | 50 842 696 |
| % Participation of individuals           | 91,09%     | 85,65%     |

| Shareholders                      | Number of shares at 31.12.2022 | Number of shares at 31.12.2021 | Nominal VALUE (BGN) | Value (BGN)       | % Shareholding | % of voting rights* |
|-----------------------------------|--------------------------------|--------------------------------|---------------------|-------------------|----------------|---------------------|
| Georgi Parvanov Marinov           | 5 269 748                      | 5 269 748                      | 1                   | 5 269 748         | 8,88%          | 8,89%               |
| Tsvetan Borisov Alexiev           | 4 965 753                      | 4 965 753                      | 1                   | 4 965 753         | 8,37%          | 8,38%               |
| Chavdar Velizarov Dimitrov        | 4 750 786                      | 4 750 786                      | 1                   | 4 750 786         | 8,00%          | 8,01%               |
| Veselin Antchev Kirov             | 4 700 786                      | 4 700 786                      | 1                   | 4 700 786         | 7,92%          | 7,93%               |
| Ivo Petrov Petrov                 | 4 013 920                      | 4 500 000                      | 1                   | 4 013 920         | 6,76%          | 6,77%               |
| Ognyan Plamenov Chernokozhev      | 3 741 620                      | 3 741 620                      | 1                   | 3 741 620         | 6,30%          | 6,31%               |
| Atanas Kostadinov Kiryakov        | 2 887 524                      | 2 887 524                      | 1                   | 2 887 524         | 4,86%          | 4,87%               |
| Krasimir Nevelinov Bozhkov        | 2 534 161                      | 2 534 161                      | 1                   | 2 534 161         | 4,27%          | 4,28%               |
| Vladimir Ivanov Alexiev           | 2 177 583                      | 2 177 583                      | 1                   | 2 177 583         | 3,67%          | 3,67%               |
| Rosen Vasilev Varbanov            | 2 156 687                      | 2 156 687                      | 1                   | 2 156 687         | 3,63%          | 3,64%               |
| Emiliana Ilieva Ilieva            | 1 965 209                      | 1 925 820                      | 1                   | 1 965 209         | 3,31%          | 3,32%               |
| Deyan Nikolov Nenov               | 1 790 748                      | 518 757                        | 1                   | 1 790 748         | 3,02%          | 3,02%               |
| Yavor Liudmilov Djonev            | 1 292 746                      | 1 392 746                      | 1                   | 1 292 746         | 2,18%          | 2,18%               |
| Rosen Ivanov Marinov              | 1 265 795                      | 8 433                          | 1                   | 1 265 795         | 2,13%          | 2,14%               |
| Peter Nikolaev Konyarov           | 867 165                        | 870 665                        | 1                   | 867 165           | 1,46%          | 1,46%               |
| Mandjukov Ltd.                    | 860 000                        | 860 000                        | 1                   | 860 000           | 1,45%          | 1,45%               |
| UPF Doverie JSC                   | 802 126                        | 976 678                        | 1                   | 802 126           | 1,35%          | 1,35%               |
| UPF DSK Rodina                    | 747 036                        | 747 036                        | 1                   | 747 036           | 1,26%          | 1,26%               |
| Asen Krumov Nelchinov             | 641 349                        | 422 348                        | 1                   | 641 349           | 1,08%          | 1,08%               |
| Sirma Solutions                   | 525 960                        | 677 368                        | 1                   | 525 960           | 0,89%          | 0,89%               |
| First Financial Brokerage House   | 32 389                         | 1 437 786                      | 1                   | 32 389            | 0,05%          | 0,05%               |
| UPF "Pension Insurance Institute" | 230 000                        | 715 810                        | 1                   | 230 000           | 0,39%          | 0,39%               |
| Purchased own shares              | (84 846)                       | (584 474)                      | 1                   | (84 846)          | 0,14%          | -                   |
| Others                            | 11 056 581                     | 10 537 949                     | 1                   | 11 056 581        | 18,63%         | 18,66%              |
| <b>Total</b>                      | <b>59 360 518</b>              | <b>59 360 518</b>              |                     | <b>59 360 518</b> | <b>100%</b>    | <b>100%</b>         |

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

On 09.06.2022 "Sirma Group Holding" JSC sold 499 628 own shares at an average price of BGN 0.75 per share, for a total value of BGN 374 721.

As of 31.12.2022 „Sirma Group Holding“ JSC holds 84 846 repurchased own shares (31.12.2021 - 584 474) at the total amount of BGN 84 846.





Shareholders holding more than 5% of the company's capital are:

| Shareholders                 | Number of shares at<br>31.12.2022 | % Shareholding | % of voting rights |
|------------------------------|-----------------------------------|----------------|--------------------|
| Georgi Parvanov Marinov      | 5 269 748                         | 8,88%          | 8,89%              |
| Tsvetan Borisov Alexiev      | 4 965 753                         | 8,37%          | 8,38%              |
| Chavdar Velizarov Dimitrov   | 4 750 786                         | 8,00%          | 8,01%              |
| Veselin Antchev Kirov        | 4 700 786                         | 7,92%          | 7,93%              |
| Ivo Petrov Petrov            | 4 013 920                         | 6,76%          | 6,77%              |
| Ognyan Plamenov Chernokozhev | 3 741 620                         | 6,30%          | 6,31%              |

| Shareholders                 | Number of shares at<br>31.12.2021 | % Shareholding | % of voting rights |
|------------------------------|-----------------------------------|----------------|--------------------|
| Georgi Parvanov Marinov      | 5 269 748                         | 8,88%          | 8,97%              |
| Tsvetan Borisov Alexiev      | 4 965 753                         | 8,37%          | 8,45%              |
| Chavdar Velizarov Dimitrov   | 4 750 786                         | 8,00%          | 8,08%              |
| Veselin Antchev Kirov        | 4 700 786                         | 7,92%          | 8,00%              |
| Ivo Petrov Petrov            | 4 500 000                         | 7,58%          | 7,66%              |
| Ognyan Plamenov Chernokozhev | 3 741 620                         | 6,30%          | 6,37%              |

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

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

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

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

## 4.2. Management authorities

"Sirma Group Holding" has a one-tier management system comprising of a Board of Directors.

On 24.06.2022, the Annual general meeting of shareholders of "Sirma Group Holding" JSC decided:

a. Removes Petar Borisov Statev as member of the Board of Directors.

b. Elect as members of the Board of Directors:

- Veselin Anchev Kirov
- Yavor Ludmilov Djonev - independent member of the Board of Directors
- Martin Veselinov Paev - independent member of the Board of Directors
- Peyo Vasilev Popov - independent member of the Board of Directors

with remuneration and tenure commensurate with the remuneration of the current non-executive members of the Board of Directors and the tenure of the current Board of Directors.



**The Board of Directors as at 31.12.2022 includes the following members:**

Chavdar Velizarov Dimitrov  
Tsvetan Borisov Alexiev  
Atanas Kostadinov Kiryakov  
Georgi Parvanov Marinov  
Yordan Stoyanov Nedev  
Veselin Anchev Kirov  
Yavor Ludmilov Djonev - independent member  
Martin Veselinov Paev - independent member  
Peyo Vasilev Popov - independent member

**Determination of the mandate of the Board of Directors:** 2 years from the date of entry.

**The current mandate of the Board of Directors:** 07.07.2024

**The company is represented by the CEO of "Sirma Group Holding" JSC Tsvetan Borisov Alexiev.**

## Competencies of the management

The competences of the management are in line with those listed in the Commercial Law, the Statute and the POSA.

## Company stock options

As of the date of this report, no options have been granted to the members of the Board of Directors on its shares.

## Rights of the members of the Board of Directors to acquire shares and bonds of the company

The rights of the members of the Board of Directors of the company to acquire shares from the company are regulated in the applicable legal framework. The company has no bonds issued.

## Participation of the members of the BD of "Sirma Group Holding" JSC in other companies

The members of the BD of "Sirma Group Holding" JSC have the following other participations in companies, as per the provisions of Art. 247, Par.2, p.4 of the Commercial Code:

**Georgi Parvanov Marinov – Chairman of the BD**

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in 2022.
2. Does not own more than 25% of the capital of other companies in 2022.
3. Procurator/manager/member of a managing/supervisory body in 2022:
  - Executive director and Chairman of the BD of "Engview Systems Sofia" JSC;
  - Member of the BD of "Sirma Business Consulting" JSC;
  - Executive director and Member of the BD of "Pirina Technologies" JSC;

**Chavdar Velizarov Dimitrov – Deputy Chairman of the BD**

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in 2022.
2. Does not own more than 25% of the capital of other companies in 2022.
3. Procurator/manager/member of a managing/supervisory body in 2022:
  - Member of the BD of „Sirma Medical Systems“ JSC;



**Tsvetan Borisov Aleksiev** – Executive director and member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years..
2. Does not own more than 25% of the capital of other companies in 2022.
3. Procurator/manager/member of a managing/supervisory body in 2022:
  - Executive director and Chairman of the BD of "Sirma Solutions" JSC;
  - Chairman of the BD of „Sirma Business Consulting" JSC;
  - Member of the BD of "SAI" AD (Ontotext" JSC);
  - Member of the BD of „Daticum" JSC;
  - Member of the BD of „Sirma AI" AD;
  - Member of the BD of "Engview Systems Sofia" JSC;
  - Member of the BD of „Sirma" Sha., Albania.
  - Member of the BD of „Sciant" AD;

**Atanas Kostadinov Kirjakov** - Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies.
2. Does not own more than 25% of the capital of other companies in 2022.
3. Procurator/manager/member of a managing/supervisory body in 2022:
  - Executive director and Member of the BD of "SAI" AD ("Ontotext" JSC);
  - Member of the BD of "Sirma Solutions" JSC;
  - Member of the BD of "Engview Systems Sofia" JSC;
  - Executive director and Member of the BD of „Sirma AI" AD.

**Yordan Stoyanov Nedev** – Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in 2022.
2. Owns more than 25% of the capital of:
  - "Susana and Vesko – SV" OOD – 75 %.
3. Procurator/manager/member of a managing/supervisory body in 2022:
  - Member of the BD of MAC „Bushido";
  - Trustee of the foundation „Alexander".
  - Member of the BD of „Sirma InsurTech";
  - Member of the BD of SC Hanshi Association;

**Veselin Anchev Kirov** – Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Does not own more than 25% of the capital of other companies in 2022.
3. Does not participate in managing other legal entities in 2022.

**Yavor Ludmilov Djonev** – independent Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Owns more than 25% of the capital of other company in 2022:
  - "Djonev Consulting" EOOD – 100%.
3. Representing "Educational Transformation Foundation"



**Martin Veselinov Paev** – independent Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Owns more than 25% of the capital of the following companies:
  - "Sortis Invest" EOOD – 100%.
  - "Sortis Group" EOOD – 100%.
3. Procurator/manager/member of a managing/supervisory body in 2022:
  - SORTIS INVEST EOOD – Manager
  - SORTIS GROUP EOOD – Manager
  - SORTIS VENTURES EOOD – Manager
  - SORTIS REAL ESTATE EOOD – Manager
  - SORTIS.BG EOOD – Manager
  - SORTIS Hospitality OOD – Manager
  - BP Bulgaria 2 EOOD – Manager
  - BP Bulgaria 3 EOOD – Manager

**Peyo Vasilev Popov** – independent Member of the BD

Data for activities external to the issuer:

1. Does not participate as an unlimited liability partner in companies in the last 5 years.
2. Does not own more than 25% of the capital of other companies in 2022
3. Does not participate in managing other legal entities.

## Committees in The Company

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

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

*Yordan Nedev – chairman*  
*Tsvetan Alexiev – member*  
*Georgi Marinov – member*

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

*Georgi Marinov – chairman*  
*Petar Statev – member (until 02.03.2023)*  
*Martin Paev – member (after 02.03.2023)*  
*Yordan Nedev – member*

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

*Tsvetan Alexiev – chairman*  
*Stanislav Tanushev – member*  
*Chavdar Dimitrov – member*  
*Atanas Kiryakov – member*

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

*Angel Petrov Kraychev – chairman*  
*Alexander Todorov Kolev – member*  
*Emilian Ivanov Petrov – member*

## Adopted internal documents

In 2015 the company adopts the necessary internal documents related to the company's working and management processes and fulfillment of its obligations as a public company:

- Good Corporate Governance Program;
- Operating Rules of the Board of Directors;
- Instructions and clarifications on the obligations and responsibilities of internal insiders;
- Special code of conduct for financial and accounting positions.

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

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



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

| Shareholders               | Number of<br>shares at<br>31.12.2022 | Number of<br>shares at<br>31.12.2021 | Nominal<br>VALUE<br>(BGN) | Value<br>(BGN)    | %<br>Shareholding | % of voting<br>rights |
|----------------------------|--------------------------------------|--------------------------------------|---------------------------|-------------------|-------------------|-----------------------|
| Georgi Parvanov Marinov    | 5 269 748                            | 5 269 748                            | 1                         | 5 269 748         | 8,88%             | 8,89%                 |
| Tsvetan Borisov Alexiev    | 4 965 753                            | 4 965 753                            | 1                         | 4 965 753         | 8,37%             | 8,38%                 |
| Chavdar Velizarov Dimitrov | 4 750 786                            | 4 750 786                            | 1                         | 4 750 786         | 8,00%             | 8,01%                 |
| Veselin Anchev Kirov       | 4 700 786                            | 4 700 786                            | 1                         | 4 700 786         | 7,92%             | 7,93%                 |
| Atanas Kostadinov Kiryakov | 2 887 524                            | 2 887 524                            | 1                         | 2 887 524         | 4,86%             | 4,87%                 |
| Yavor Ludmilov Djonev      | 1 292 746                            | 1 392 746                            | 1                         | 1 292 746         | 2,18%             | 2,18%                 |
| Martin Veselinov Paev      | 126 720                              | -                                    | 1                         | 126 720           | 0,21%             | 0,21%                 |
| Yordan Stoyanov Nedev      | 3 433                                | 3 433                                | 1                         | 3 433             | 0,01%             | 0,01%                 |
| Peyo Vasilev Popov         | 100                                  | 100                                  | 1                         | 100               | 0,0002%           | 0,0002%               |
| <b>Total</b>               | <b>23 997 596</b>                    | <b>23 970 876</b>                    |                           | <b>23 997 596</b> | <b>40,43%</b>     | <b>40,48%</b>         |

During 2022 the member of the Board of Directors Martin Veselinov Paev acquired 126 720 additional shares of the capital of the company, and member Yavor Ludmilov Djonev has sold 100 000 shares.

### Remuneration of the members of the Board of Directors of "Sirma Group Holding" JSC

Pursuant to Article 25, paragraph 5 of the Articles of Association of the Company, each member of the Board of Directors has accrued the following permanent gross remuneration under management contracts:

| Name                       | Company                   | Period: 01.01.2022 - 31.12.2022<br>(BGN) |
|----------------------------|---------------------------|--|
| Tsvetan Borisov Alexiev    | "Sirma Group Holding" JSC | (265 344)                                |
| Yordan Stoyanov Nedev      | "Sirma Group Holding" JSC | (80 410)                                 |
| Georgi Parvanov Marinov    | "Sirma Group Holding" JSC | (33 960)                                 |
| Atanas Kostadinov Kiryakov | "Sirma Group Holding" JSC | (28 960)                                 |
| Chavdar Velizarov Dimitrov | "Sirma Group Holding" JSC | (28 960)                                 |
| Petar Borisov Statev*      | "Sirma Group Holding" JSC | (9 286)                                  |
| Veselin Anchev Kirov       | "Sirma Group Holding" JSC | (9 674)                                  |
| Martin Veselinov Paev      | "Sirma Group Holding" JSC | (9 674)                                  |
| Peyo Vasilev Popov         | "Sirma Group Holding" JSC | (9 674)                                  |
| Yavor Ludmilov Djonev      | "Sirma Group Holding" JSC | (9 674)                                  |
| <b>Total</b>               |                           | <b>(485 616)</b>                         |

\* From 24.06.2022 Petar Borisov Statev with decision of the Annual general meeting of shareholders of "Sirma Group Holding" JSC is removed as member of the Board of Directors.





## INFORMATION ON THE CONTRACTS OF THE MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT OR SUPERVISORY BODIES WITH THE COMPANY PROVIDING BENEFITS FOR THE DISCONTINUATION OF EMPLOYMENT

The contracts of the members of the board of directors, both with the Company and its subsidiaries, where such contracts

are available, do not include the right to benefits upon termination.

## INFORMATION ON THE COMPANY'S AUDIT COMMITTEE, INCLUDING THE NAME OF THE MEMBERS OF THE COMMITTEE AND A MANDATE SUMMARY ON WHICH THE COMMITTEE FUNCTIONS

At the Annual General Meeting of the Shareholders of the Company held on 24.06.2022 was decided to relieve the member of the Audit Committee Emiliyat Ivanov Petrov from his position and elected Veselin Anchev Kirov as a member of the Audit Committee. The mandate of the Audit Committee was continued with 3 (three) years at the current remuneration. The Audit Committee consisting of:

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

## STATEMENT ON WHETHER THE COMPANY COMPLIES OR DOES NOT WITH THE REGIME FOR CORPORATE GOVERNANCE

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

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

# 5/ "SIRMA GROUP HOLDING" IN 2022

### Development of the economy in Bulgaria in 2022 and forecast for the future years

The Bulgarian National Bank reports a deterioration of Bulgaria's international situation at the end of 2022. Unfortunately, the processes caused by the war in Ukraine, disrupted supply chains, generated energy uncertainty and double-digit inflation led (as in all other countries) to limiting growth in 2022. BNB reports a slow growth of the Bulgarian economy in 2022 of 3.4%. The BNB ([BNB, Macroeconomic Forecast December 2022](#)) expects the slowdown in economic growth to continue in 2023 and to reach only 0.4% growth during the year.

The negative influences on the European economy are transferred entirely to the Bulgarian one. In addition, however, increased domestic demand, and relatively weak fiscal measures led to the strengthening of negative processes in the country. Recovery of economic growth to 3.4% is expected only in 2024 when the recovery of the European markets for Bulgarian goods and services is also expected.

Following the peak of inflation of 16.7% in 2022, it is expected to decrease to 4.2% at the end of 2023 and 3.3% at the end of 2024. On average for 2023, inflation is expected to sit at 7%.

The risks to the development of the Bulgarian economy in 2023, according to the BNB, are

- Escalation of the military conflict in Ukraine;
- Postponing the implementation of investment projects;
- A faster-than-expected rise in interest rates in the US and the EU;
- A slow rate of utilization of funds under European programs;
- Delayed implementation of the National Recovery Plan;
- Higher-than-expected inflation, as a result of prolonged retention of high prices of energy sources.



## Development of the global economy in 2022 and forecast for the future years

In January 2023, the IMF ([World Economic Outlook, January 30, 2023](#)) forecast a decline in global economic growth from 3.4% in 2022 to 2.9% in 2023 and a recovery in growth in 2024 to 3.1%. However, a contraction in GDP or GDP per capita is no longer expected in recent years.

The IMF predicts that the highest inflation values have already passed (around the third quarter of 2022) and inflation is expected to decrease in the future. Global inflation is expected to fall from 8.8% in 2022, to 6.6% in 2023 and 4.3% in 2024 (remaining still above the pre-pandemic levels of 3.5%).

Although the IMF's forecasts in January 2023 are more optimistic than those from October 2022, risks to the world's economic development still remain. These are: an escalation of Russia's war in Ukraine, an increase in debt distress due to higher interest rates and slowing growth, a potential persistence of inflation and a worsening health situation in China leading to a slowdown in China's economic recovery, a deepening of the geopolitical fragmentation which has begun in 2022.

Growth in advanced economies is expected to fall from 5.2% in 2021 to 1.2% in 2023. Central banks in advanced economies have sharply increased key interest rates. This measure, designed to fight inflation, is also contributing to the slowdown in the economy.

GDP growth in emerging economies is also slowing, from 6.6% in 2021 to 3.9% in 2022 and 4.0% in 2023, which is significantly below the average level of 4.8% over the period 2011-2019. The negative impact of the war in Ukraine will erode the increased revenues of some fuel-exporting countries.

The development of the world economy is moving in the exact opposite direction of inflation. GDP growth has contracted sharply since the start of 2022 and is expected to remain at relatively low levels (lower than the average for the last 10 years), in contrast to inflation, which set records for its growth in 2022.

Despite depressed economic growth in 2022, no (standard in such cases) recovery is expected in 2023. This is due to the various factors that hinder economic development and which are expected to persist in 2023 – high prices of consumer goods, food and fuels, as well as increased monetary restrictions and rising interest rates (aimed at fighting inflation). Moreover, limited development is accompanied by more than normal risks (for which the IMF has a higher than average expectation of realization).

## The Industry of Sirma

The Sirma Group Holding companies specialize in the information technology (IT) industry. Industrial data is usually combined with data on the "communications segment" because this segment is completely dependent on information technology. Accordingly, the industry acquired the name "Information and Communication Technologies" or ICT for short. Out of all the variety of ICT segments, the companies in the group mainly work in the segments "IT services" (system integration, infrastructure as a service, software as a service, software support, consulting) and "Business software" (various software products and services aimed at different business verticals and custom software development).

The two main segments ("IT Services" and "Software") in which the Group operates were the fastest and most consistently growing in the past ([Gartner, January 18, 2023](#)). Historically, both segments have followed the same development trends. The two segments are seen as the solution to all problems arising from global economic uncertainty. The mass digitization that is unfolding relies precisely on "Software", for the various technological solutions and "IT services" through which these solutions can be implemented. This led to growth in both segments in 2022, as well as expectations for continued growth in 2023 and beyond.

Expectations for 2023 are that both segments will maintain their growth, albeit at slightly more moderate rates - 9.3% for "Software" and 5.5% for "IT Services". The growth of these two segments is expected to be sustainable in the coming years as well with CAGR 2020 – 2025 of 12% and 9% respectively.

Geographically, Sirma is focused on the world's leading markets (US, UK, and Europe), which are also expected to make the fastest return to normal IT spending before the Covid-19 pandemic.

Sirma is a B2B IT provider. Sirma's client portfolio - Digital Business (Sirma's AI, Consulting and Integration, Chatbots, IT Security and Software Development), Financial Institutions (Consulting, Integration, IT Security, Chatbots, and the products of Sirma Business Consulting AD), Insurance (The platform for insurance broker of Sirma), hospitality (Scient), and healthcare (Sirma Medical Systems) show sustainable development and strong growth in 2022 and the following years.

## The global ICT market in 2023 and forecast for the future years

After the rapid recovery from the COVID-19 recession in 2021 and the achieved sector growth of 10%, IT spending stagnated in 2022 ([Gartner, January 18, 2023](#)) - with limited growth of only 0.2% for the year. Another feature of the ICT market in 2022 was its multidirectional development - while the "Data Center" segment recorded double-digit growth of 12%, the "Hardware" segment shrank by approximately the same percentage (10.6%). In 2023, the ICT sector is expected to restore its "normality", as well as to resume its upward trend - growth of 2.4% in 2023:



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

|                         | 2022<br>Spending | 2022<br>Growth (%) | 2023<br>Spending | 2023<br>Growth (%) |
|-------------------------|------------------|--------------------|------------------|--------------------|
| Data Center Systems     | 212,376          | 12.0               | 213,853          | 0.7                |
| Software                | 783,462          | 7.1                | 856,029          | 9.3                |
| Devices                 | 722,181          | -10.6              | 685,633          | -5.1               |
| IT Services             | 1,244,746        | 3.0                | 1,312,588        | 5.5                |
| Communications Services | 1,422,506        | -2.4               | 1,423,367        | 0.1                |
| <b>Overall IT</b>       | <b>4,385,270</b> | <b>-0.2</b>        | <b>4,491,471</b> | <b>2.4</b>         |

Source: Gartner (January 2023)

The ICT markets of consumers and corporate customers are experiencing different dynamics during the two years under review. While inflation erodes the purchasing power of individual consumers, businesses continue to invest in their digitization. It is because of some of the challenges in the world that the leading segment in 2022 is shaping up to be "Data Centers" with a growth of 12% year-on-year in current USD prices. The Software and IT Services segments remain in second and third place, expected to grow by 7.1% and 3%, respectively, in 2022. The big loser for the year turned out to be the Devices segment with a drop of as much as 10.6%. The negative impact of inflation on the purchasing power of "Devices" consumers around the world has led to the postponement of much of their purchases and technological renewal, resulting in a dramatic decline in the segment.

## PARTICIPATION IN MANAGEMENT AND IMPLEMENTATION OF CONTROL ON THE SUBSIDIARY COMPANIES

In 2022, as in previous periods, Sirma Group Holding's senior management was actively involved in the management of its subsidiaries. The high expertise and accumulated experience of Sirma Group Holding's managers helped companies to formulate their development goals and strategies as well as their business and financial plans. As a

result, the company achieved outstanding successes over the past period. At the same time, taking part in the management of the Group's companies, they monitored the Group's overall objectives, strategies for its development and financial discipline.

### MARKETING

In operational terms, the annual marketing strategy and budget of the "Sirma Group Holding" for 2022 ensured the planning, development and successful implementation of the following activities:

1. Creating, developing and maintaining a general knowledge of the Sirma brand through a range of activities that help for successful branding and corporate communications - public relations, investor relations, public institutions, company employees, general public. They included internet marketing, online meetings, helping managers and managers with marketing materials for their investment tours, press interviews, TV, radio, participation in specialized and high profile business events.
2. Building a strong employer brand and affirming the company as an attractive place to work, career development and realization of own innovative ideas for creating new software products and solutions, working with the most advanced technologies, entering new market niches. A favorable environment has been created and the innovation process in companies is regularly promoted. Social media is actively used for informal communication with employees, engaging in important causes, informing about upcoming

events, company and product news. The team building conducted at the end of the year was traditionally one of the most anticipated events that enabled people from different companies, cities and offices to communicate in an informal environment.

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

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

## FINANCIAL ACTIVITY AND MANAGEMENT OF FINANCIAL RESOURCES OF THE GROUPASPECTS OF THE FINANCIAL ACTIVITY OF HOLDING AND GROUP

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

### I. Goals

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



As a **tactical objective** of the financial management, "Sirma Group Holding" JSC opted the maximization of revenues and profit.

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

## II. Execution of functions

### 1. Executed functions of Sirma Group Holding's management:

a) Financial planning - plans of "Sirma Group Holding" and of all companies of the Group for a one-year and mid-term period were prepared.

b) Co-ordination of the financial activity - "Sirma Group Holding" coordinated the activities of all the companies in the Group for the fulfillment of the general objectives of the financial activity management and for the implementation of unified policies in this activity;

c) Control - The financial team of the "Sirma Group Holding" throughout the year carried out regular and periodical control over the financial activity of the companies in the group.

### 2. As regards the financial activities of "Sirma Group Holding" and the subsidiaries, the Holding had the following functions:

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

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

## - ACCOUNTING SERVICES

In 2022 "Sirma Group Holding" performed the accounting services for 13 subsidiaries and associated companies and related companies. In addition to regular accounting services, management is presented with various BI reports built as know-how of the Group. The FAD of "Sirma Group Holding" achieved monthly reporting of results at individual and group level. The department also managed to manage the

## - LEGAL SERVICES

The legal department of "Sirma Group Holding" carries out legal services to the companies of the Group, which includes the preparation of corporate documents; assistance with the

## - MANAGEMENT OF RISKS

The Board of Directors is responsible for risk management in "Sirma Group Holding". The Investment and Risk Committee assist the Board in this activity. The holding also supports its subsidiaries for risk management.

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

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

## III. Completed tasks

1. Ensure sufficient financial resources in accordance with the strategy and tasks for the development of "Sirma Group Holding" and the subsidiaries during the respective period.

2. Ensuring the most efficient allocation and utilization of the volume of financial resources formed in the main directions of the Group's activity.

3. Optimization of the monetary turnover - synchronization by size and time of the receipts and payments for the normal service of the undisputed payments. 4. Ensure maximum profit at a given level of risk.

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

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

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

companies' relationships with the fiscal and social security systems. The timely introduction of taxes, timely information submission and the preparation of information under the Law for Public Offering of Securities to the Financial Supervision Commission and the BSE have been performed in the period.

preparation and implementation of the GMS; preparation of any commercial documents and contracts; settlement of commercial disputes; conducting court cases.

process of monitoring and a regular return to the analysis process.

A sophisticated risk management system has been set up in "Sirma Group Holding".

### Risk management in the "Sirma Group Holding" includes:

- Risk identification - This is a lengthy process that detects potential threats. In order to identify the expected and



predictable risks, different methods are used: questionnaires (interview questionnaires), interviews, brainstorming, document analysis, a list of expected and predictable risks (checklist analysis), based on a previous experience

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

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

- Planning actions to overcome the risk

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

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

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

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

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

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

## IMPACT OF EXCEPTIONAL FACTORS

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

## SUMMARY INFORMATION RELATING TO THE STATE OF WHICH THE COMPANY DEPENDS ON PATENTS OR LICENSES, INDUSTRIAL, COMMERCIAL OR FINANCIAL CONTRACTS OR FROM NEW PROCESSING PROCESSES

"Sirma Group Holding" is not dependent on patents or licenses, industrial, commercial or financial contracts, or new production processes.

The Company has the appropriate licenses for operating systems and application software for PCs and servers required for the normal workflow for all employees.

## INFORMATION, CONCERNING SIGNIFICANT FACTORS, INCLUDING NON-ORDINARY OR RARE EVENTS OR NEW DEVELOPMENTS, THAT EXPRESSLY RENDER THE INCOME OF THE COMPANY'S ACTIVITY

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

## SIGNIFICANT CHANGES IN NET SALES OR REVENUES DISCLOSED IN THE ACCOUNTS

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





## INFORMATION ON GOVERNANCE, ECONOMIC, FISCAL, MONETARY POLICY OR POLITICAL COURSE OR FACTORS THAT SIGNIFICANTLY HAVE BEEN CONCERNED OR MAY CONTRIBUTE TO SIGNIFICANT, DIRECT, OR CONSEQUENTIAL ACTIVITY OF THE COMPANY

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

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

## EVENTS AND BUSINESS NEWS IN 2022

The following events and business news took place in 2022:

### **23.12.2022**

Disclosure of the closing of a contract for sale of shares in Sirma AI JSC by the daughter company Sirma Solutions JSC. The contract requires approval of the sale by the GSM of Sirma Group Holding JSC.

### **23.12.2022**

Disclosure of the approval by the Board of Directors of Sirma Group Holding JSC of a decision for the sale of shares in the daughter company Sirma AI JSC by the Board of Directors of another daughter company - Sirma Solutions JSC.

### **29.11.2022**

Publication of the interim individual financial reports for the period ending on 30.09.2022 of Sirma Group Holding JSC.

### **14.11.2022**

Publication of the Minutes from the GSM of Sirma Group Holding.

### **4.11.2022**

Notification of the cancellation of two of the items of the Agenda for the upcoming GSM of Sirma Group Holding JSC by the FSC.

### **31.10.2022**

Publication of the interim individual financial reports for the period ending on 30.09.2022 of Sirma Group Holding JSC.

### **18.10.2022**

Disclosure of an acquisition of an enterprise in Albania by the daughter company of Sirma Group Holding JSC – Sciant JSC.

### **06.10.2022**

Notification of a change in the date for the convening of the GSM of Sirma Group Holding, publication of a new Invitation and corresponding documents.

### **04.10.2022**

Notification for the sale of shares of Sirma Group Holding JSC by the related company to a member of the Board Yavor Djonev – "Foundation for Educational Transformation" on 16 and 22.09.2022. Information about these transactions was received in SGH on 03.10.2022.

### **01.10.2022**

Publication of the documents for the upcoming GMS of Sirma Group Holding JSC.

### **30.09.2022**

Publication of the Invitation for convening a GMS of Sirma Group Holding JSC.

### **30.09.2022**

Notification of the acquisition of the commercial enterprise Empiriu by the daughter company Sirma Business Consulting JSC.



**30.09.2022**

Notification of purchase of shares by a member of the Board of Sirma Group Holding JSC Martin Paev on 28,29 and 30.09.2022.

**29.09.2022**

Notification of purchase of shares by a member of the Board of Sirma Group Holding JSC Martin Paev on 26 и 28.09.2022.

**19.09.2022**

The shares of Sirma Group Holding JSC are again included in the prestigious indexes at the Bulgarian Stock Exchange – Sofia: BGBX40, SOFIX and BG TR30.

**14.09.2022**

The recently acquired company TBI Info AD changed its name to Sirma InsureTech JSC.

**01.09.2022**

Notification of the successful execution of all obligations of the parties in the deal for the sale of shares in Sirma AI JSC.

**29.08.2022**

Disclosure of the interim consolidated financial results for the period ending on 30.06.2022 of Sirma Group Holding JSC.

**08.08.2022**

Start date for the payment of dividends to the shareholders of Sirma Group Holding JSC for 2021.

**01.08.2022**

Disclosure of the interim individual financial results for the period ending on 30.06.2022 of Sirma Group Holding JSC.

**15.07.2022**

Disclosure of the rules for distribution of dividends by Sirma Group Holding JSC.

**05.07.2022**

Disclosure of the acquisition of the majority shares of the company TBI Info AD.

**28.06.2022**

Publication of the decision of the GMS of Sirma Group Holding JSC to distribute dividends for 2021.

**27.06.2022**

Publication of the Protocol from the GMS of Sirma Group Holding JSC.

**24.06.2022**

Interview of the CCO of Sirma Solutions Momchil Zarev by the financial vlogger Georgi Mitev.

**14.06.2022**

Disclosure of additional item to the proposed Agenda of the GMS of Sirma Group Holding JSC.

**14.06.2022**

An interview article in Investor.bg of the CEO of Sirma Group Holding JSC Tsvetan Alexiev.

**10.06.2022**

Disclosure of sale of 2 906 349 shares of Sirma Group Holding JSC stock by related company Sirma Solutions JSC.

**10.06.2022**

Disclosure of the transformation of the shares of the daughter company Sirma Solutions JSC into shares of Sirma Group Holding JSC.

**10.06.2022**

Disclosure of the sale of 499 628 own shares by Sirma Group Holding JSC.

**09.06.2022**

Sirma Group takes part in the fintech expo Money 20/20 in Amsterdam.

**08.06.2022**

Disclosure of additional item to the proposed Agenda of the GMS of Sirma Group Holding JSC.

**03.06.2022**

Disclosure of approved project by the Board of Directors of Sirma Group Holding JSC for the acquisition of the majority shares of the IT company TBI Info AD.



**01.06.2022**

Disclosure of purchase of 517 452 shares of Sirma Group Holding JSC stock by related company Sirma Solutions JSC.

**30.05.2022**

Disclosure of the interim consolidated financial statements of Sirma Group Holding JSC for the period ending on **31.03.2022**.

**17.05.2022**

Disclosure of accepted offer by the BD of Sirma Group Holding JSC for the sale of the majority shares in Sirma AI JSC.

**17.05.2022**

Disclosure of the increase of capital of the daughter company of Sirma Group Holding JSC – Sirma AI JSC.

**17.05.2022**

Publication of the Invitation for the Annual General Meeting of Shareholders of Sirma Group Holding JSC.

**12.05.2022**

Disclosure of purchase of 150 000 shares of Sirma Group Holding JSC stock by related company Sirma Solutions JSC.

**09.05.2022**

Disclosure of purchase of 150 000 shares of Sirma Group Holding JSC stock by related company Sirma Solutions JSC.

**03.05.2022**

Disclosure of the interim individual financial statements of Sirma Group Holding JSC for the period ending on 31.03.2022

**28.04.2022**

Sirma celebrates its 30-th anniversary.

**21.04.2022**

Interview of the CCO of Sirma Solutions Momchil Zarev by Forbes magazine on the topic of the digital transformation of the financial industry.

**19.04.2022**

Sirma Group Holding JSC took part in "Accelerate Green" forum organized by the Green Energy and Finance Center.

**07.04.2022**

Disclosure of purchase of 250 000 shares of Sirma Group Holding JSC stock by related company Sirma Solutions JSC.

**31.03.2022**

Disclosure of purchase of 105 000 shares of Sirma Group Holding JSC stock by related company Sirma Solutions JSC.

**30.03.2022**

Disclosure of audited annual individual reports of Sirma Group Holding JSC for 2021.

**29.03.2022**

Angelica Kabaivanova - Director of Business Development and Marketing at Sirma Solutions represented Sirma Group at [AxisTlv22](#) in Tel Aviv, Israel.

**07.03.2022**

Disclosure of share purchase of Sirma Group Holding JSC stock by related company Sirma Solutions JSC.

**04.03.2022**

Georgi Tsekov is the new Executive director of the daughter company of Sirma Group Holding JSC Daticum JSC.

**01.03.2022**

Disclosure of interim quarterly consolidated reports of Sirma Group Holding JSC for the period ending on 31.12.2021.

**28.02.2022**

Momchill Zarev, Chief Commercial Officer and Mark Belane, Director of Strategic Partnerships at Sirma Solutions took part in Connectivity Unleashed – the Mobile World Congress in Barcelona.

**31.01.2022**

Disclosure of interim quarterly individual reports of Sirma Group Holding JSC for the period ending on 31.12.2021.



## MAIN LEGAL INFORMATION IN 2022

### Transactions with shares for the period 01.01.2022 - 31.12.2022:

#### - Purchase and sell of shares from a subsidiary

In 2022 the subsidiary "Sirma Solutions" has acquired additional 1 500 952 shares from the capital of "Sirma Group Holding" JSC for the amount of BGN 919 524 and sold 2 906 349 shares for the amount of BGN 2 179 762.

#### - Sell of purchased own share of the Company

On 09.06.2022 "Sirma Group Holding" JSC sold 499 628 purchased own shares at an average price of BGN 0.75 per share, for a total value of BGN 374 721.

#### - Concentration of ownership of a subsidiary

On 09.06.2022, pursuant to the Strategy of "Sirma Group Holding" JSC for ownership concentration, the shareholders of the subsidiary "Sirma Solutions", who are also its employees, transformed their investments from shareholders of "Sirma Solutions", into shareholders of "Sirma Group Holding" JSC. At the same time, "Sirma Group Holding" JSC became the sole owner of "Sirma Solutions". The transactions for sale/purchase of shares of "Sirma Solutions" and "Sirma Group Holding" JSC were executed on the over-the-counter market at current market prices. The following two positive effects are achieved through these transactions:

- Synchronization of the interests of the key employees of the largest company in Sirma Group - "Sirma Solutions", with those of the parent company, through their transformation from shareholders in "Sirma Solutions" to shareholders in "Sirma Group Holding" JSC;
- "Sirma Group Holding" JSC becomes the sole owner of its largest company "Sirma Solutions", which remain the only member of the Sirma Group to hold shares in the capital of "Sirma AI", for which a sale is planned in 2023 and the remaining share of "Sirma AI" AD as of 31.12.2022 to an investment company.

On 23.12.2022, at a meeting of the Board of Directors of Sirma Group Holding JSC, the decision of the Board of Directors of Sirma Solutions AD was approved to dispose of the entire minority package of shares in the company Sirma AI AD in the amount of 23,80 % by sale. The final planned date for closing the transaction is set at 31.03.2023.

#### - Acquisition of a majority stake in "TBI Info" AD

On 05.07.2022, pursuant to a decision of the Board of Directors of "Sirma Group Holding" JSC, a majority stake in the shares of the IT company "TBI Info" AD and its subsidiary "HRM Solutions" AD was acquired. A transaction has the following parameters:

- Number of employees: "TBI Info" AD has over 40 employees;
- Revenues: over BGN 3 million for 2021;
- Specialization: IT in the insurance sector and human resources management;
- Size of the acquired share of the company: 55% (fifty-five out of one hundred) of the shares of the company "TBI Info" AD.

With this deal, "TBI Info" AD officially becomes a member of Sirma Group.

#### - Finalization of a transaction on the sale of a majority stake in the subsidiary "Sirma AI" AD

On 01.09.2022, all actions regarding the sale of shares from the capital of "Sirma AI" AD to "New Frontier Technology Invest" SARL were finalized, according to the decision of the General Meeting of Shareholders of the majority owner "Sirma Group Holding" JSC from 24.06.2022 as follows:

- Subsidiary whose shares are subject to sale: "Sirma AI" AD;
- Valuation of the entire company "Sirma AI" AD: EUR 28 500 000;
- Buyer of shares: "New Frontier Technology Invest" SARL ("New Frontier Technology Invest" SARL), entered in the Luxembourg Trade Register under No. B267936;
- Sellers of shares: "Sirma Group Holding" JSC, "Sirma Solutions" AD and "Ontotext" AD;
- Proceeds from the sale: The total sale price for the shares sold by "Sirma Solutions" AD, "Ontotext" AD and "Sirma Group Holding" JSC is in the amount of BGN 38 207 140 (EUR 19 535 000), with the share of "Sirma Group Holding" JSC of BGN 12 909 874 (EUR 6 600 714);



- Additional conditions: the buyer has contributed funds to increase the capital of "Sirma AI" AD with a cash contribution of EUR 10 750 000;
- Shareholding distribution after the capital increase: 76.2% of the company's capital belongs to "New Frontier Technology Invest" SARL, with "Sirma Solutions" AD retaining a share of 23.80% of the capital.

As a result of the received cash and the transferred shares, the commitments of all parties to the transaction have been completed.

#### Litigation for the period 01.01.2022 - 31.12.2022:

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

#### Other legal information for the period 01.01.2022 - 31.12.2022:

##### - Dividend payment for 2021

According to the decision of the General Shareholders' Meeting of „Sirma Group Holding“ JSC dated June 24, 2022, the company proceeds with the distribution of a cash dividend in the gross amount of BGN 0.0236 per share.

ISIN: BG1100032140

Total amount of the dividend: BGN 1 400 000

Right to receive dividend: According to the decision of the General Meeting of Shareholders, all shareholders of „Sirma Group Holding“ JSC as at 8 July 2022 have the right to receive a dividend (14 days after holding the meeting, according to Art. 115c, Para. 3 of the POSA), as they are entered in the Book of Shareholders at the Central Depository AD. Shares with a right to dividend: 59 275 672 (deducted 84 84 bought back shares).

Dividend amount for one share: gross BGN 0.0236 and net for individual shareholders BGN 0.0224.

The bank through which the dividend will be paid is the Sevlievo branch and the Central branches of United Bulgarian Bank AD (UBB AD), as indicated at any time in the List of central branches of UBB AD on the website of UBB AD [www.ubb.bg](http://www.ubb.bg), which can also be accessed at the following link: <https://www.ubb.bg/offices/central-offices>

Start date for dividend payment: August 08, 2022.

End date for dividend payment: February 2, 2023 (six months after the start date).

##### - Change of name of a subsidiary of "Sirma Group Holding" JSC

On 02.09.2022, "TBI Info" AD - a subsidiary of "Sirma Group Holding" JSC, changed its name to "Sirma InsurTech" AD.

#### Audit compensation in 2022

„Grant Thornton“ OOD, registered under number 032 in the public register of audit companies at the Institute of Certified Public Accountants in Bulgaria, was selected as the auditor of the separate and consolidated annual financial statements of „Sirma Group Holding“ JSC. The remuneration for the independent financial audit in 2022 of the separate annual financial statements amounts to BGN 22 492,04 without VAT and BGN 24 447,88 without VAT for consolidated annual financial statements for 2022.

#### Information for contracted large transactions in 2022

In 2022, the company signed several large contracts with customer and subcontracts:

Purchases:

- Deal 1 for BGN 98 thousand
- Deal 2 for BGN 77 thousand
- Deal 3 for BGN 43 thousand

Sales:

- Deal 1 for BGN 1 642 thousand
- Deal 2 for BGN 720 thousand
- Deal 3 for BGN 231 thousand

These transactions do not contain the transactions disclosed in the section Transactions with shares for the period 01.01.2022 - 31.12.2022.





### Information of the used financial instruments in 2022

In 2022 the company has not used any financial instruments.

### R&D activity of the company in 2022

The strategy for growth and development of "Sirma Group Holding" JSC foresees the concentration of the intellectual property of the Group in the Holding company. This concentration also implies the concentration of the Group's research and development activities at "Sirma Group Holding" JSC. Implementation of this process started in 2018.

### Possible future development of the company

The forecasts for the development of the Information and Communication Technologies sector in 2023 and the following years are a function of the expected development of the health crisis, as well as of the manifestation of other risks accompanying the Company's activity.

Although a direct impact of the war in Ukraine on the ICT sector is not expected, it will strengthen other risks for the global economy – inflation, volatility of exchange rates, difficult supply chains, geopolitical uncertainty. In addition, the BNB expects the postponement of the implementation of investment projects, the slow rate of absorption of funds under European programs and the delayed implementation of the National Recovery Plan to be associated risks in 2023.

The annual budget has been prepared taking into account the current situation in order to maintain stable financial performance.

In 2023, "Sirma Group Holding" JSC plans to acquire the rest of the capital of "Sciant" AD, thereby becoming a 100% owner.

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

### Contracts under Art.240b of the Commercial Code in 2022

During 2022 the company has not been notified for contracted transactions with the members of the Board of Directors or parties related to them, which fall outside the line of activity of the company or the terms of which differ substantially from the current market ones.



## 6/ INDIVIDUAL FINANCIAL RESULTS

### 6.1. REVENUES

The company's revenues includes:

|                                    | 31.12.2022<br>BGN '000 | 31.12.2021<br>BGN '000 | Change<br>2022 - 2021<br>(BGN '000) | Change<br>2022/2021<br>(%) |
|------------------------------------|------------------------|------------------------|-------------------------------------|----------------------------|
| Dividends                          | 9 879                  | 240                    | 9 639                               | 4 016,25%                  |
| Revenues from sales                | 3 217                  | 3 807                  | (590)                               | (15,50%)                   |
| Gain from sale of investments      | 410                    | 7                      | 403                                 | 5 757,14%                  |
| Interest income                    | 35                     | 41                     | (6)                                 | (14,63%)                   |
| Gain on sale of non-current assets | 1                      | 5                      | (4)                                 | (80%)                      |
| Other revenues                     | 162                    | 531                    | (369)                               | (69,49%)                   |
| <b>Total</b>                       | <b>13 704</b>          | <b>4 631</b>           | <b>9 073</b>                        | <b>195,92%</b>             |

In 2022 the revenues of "Sirma Group Holding" JSC increased by BGN 9 073 thousand or by 195,92% compared to 2021.

subsidiaries as part of the principal activity of the holding company is holding shares in other entities.

Revenues in the period include interest income on loans granted to subsidiaries and associates. Additionally, the Company has received dividends due to its interests in

Revenues by product line includes:

|                                     | 31.12.2022<br>BGN '000 | 31.12.2021<br>BGN '000 | Change<br>2022 - 2021<br>(BGN '000) | Change<br>2022/2021<br>(%) |
|-------------------------------------|------------------------|------------------------|-------------------------------------|----------------------------|
| Sales of licenses                   | 1 248                  | 1 803                  | (555)                               | (30,78%)                   |
| Administrative, accounting services | 1 130                  | 893                    | 237                                 | 26,54%                     |
| Rental of investment properties     | 703                    | 523                    | 180                                 | 34,42%                     |
| Cloud Services                      | 36                     | 36                     | -                                   | -                          |
| Technical Support                   | -                      | 195                    | (195)                               | (100%)                     |
| Others                              | 100                    | 357                    | (257)                               | (71,99%)                   |
| <b>Total</b>                        | <b>3 217</b>           | <b>3 807</b>           | <b>(590)</b>                        | <b>(15,50%)</b>            |



## 6.2. EXPENSES

|   | 31.12.2022<br>BGN '000 | 31.12.2021<br>BGN '000 | Change<br>2022/2021 |
|---|------------------------|------------------------|---------------------|
| Cost of materials   | (84)                   | (72)                   | (12)                |
| Change in %   |                        |                        | 16,67%              |
| Hired services expenses   | (904)                  | (1 306)                | 402                 |
| Change in %   |                        |                        | (30,78%)            |
| Employee benefits expense   | (1 689)                | (1 462)                | (227)               |
| Change in %   |                        |                        | 15,53%              |
| Depreciation, amortisation and impairment of non-financial assets | (3 388)                | (567)                  | (2 821)             |
| Change in %   |                        |                        | 497,53%             |
| Capitalized own expenses  | -                      | 333                    | (333)               |
| Change in %   |                        |                        | (100%)              |
| Other expenses  | (184)                  | (122)                  | (62)                |
| Change in %   |                        |                        | 50,82%              |
| <b>Total expenses</b>   | <b>(6 249)</b>         | <b>(3 196)</b>         | <b>(3 053)</b>      |
| <b>Change in %</b>  |                        |                        | <b>95,53%</b>       |

In 2022 the expenses of "Sirma Group Holding" JSC increased by BGN 3 053 thousand or by 95,53% as compared to 2021. During the period there is significant increase in depreciation, amortisation and impairment of non-financial, due to impairment of BGN 2 786 thousand, while hired services expenses decrease.

## 6.3. FINANCIAL INCOME / COSTS (NET)

|                                       | 31.12.2022<br>BGN '000 | 31.12.2021<br>BGN '000 | Change<br>2022 - 2021<br>(BGN '000) | Change<br>2022/2021<br>(%) |
|---------------------------------------|------------------------|------------------------|-------------------------------------|----------------------------|
| Financial costs                       | (6 192)                | (362)                  | (5 830)                             | 1 610,50%                  |
| Financial income                      | 8                      | 50                     | (42)                                | (84%)                      |
| <b>Financial income / costs (net)</b> | <b>(6 184)</b>         | <b>(312)</b>           | <b>(5 872)</b>                      | <b>1 882,05%</b>           |

In 2022, financial income / costs (net) of "Sirma Group Holding" JSC increased by BGN 5 872 thousand as compared to 2021 and are mainly due to reported impairments of an investment..

## 6.4. ASSETS

The sum of total assets of "Sirma Group Holding" JSC at the end of 2022 is with BGN 17 066 thousand (16,02%) less than their value at the end of 2021.

|                                 | 31.12.2022<br>BGN '000 | 31.12.2021<br>BGN '000 | Change<br>2022 - 2021<br>(BGN '000) | Change<br>2022/2021<br>(%) |
|---------------------------------|------------------------|------------------------|-------------------------------------|----------------------------|
| Property, plant and equipment   | 633                    | 607                    | 26                                  | 4,28%                      |
| Intangible assets               | 6 556                  | 9 664                  | (3 108)                             | (32,16%)                   |
| Investments in subsidiaries     | 67 035                 | 78 141                 | (11 106)                            | (14,21%)                   |
| Investment property             | 9 707                  | 9 601                  | 106                                 | 1,10%                      |
| Related party receivables       | 47                     | 3 807                  | (3 760)                             | (98,77%)                   |
| Non-current receivables         | -                      | 426                    | (426)                               | (100%)                     |
| Deferred tax assets             | 832                    | -                      | 832                                 | n/a                        |
| <b>Total non-current assets</b> | <b>84 810</b>          | <b>102 246</b>         | <b>(17 436)</b>                     | <b>(17,05%)</b>            |

|                              | 31.12.2022<br>BGN '000 | 31.12.2021<br>BGN '000 | Change<br>2022 - 2021<br>(BGN '000) | Change<br>2022/2021<br>(%) |
|------------------------------|------------------------|------------------------|-------------------------------------|----------------------------|
| Trade receivables            | 73                     | 60                     | 13                                  | 21,67%                     |
| Prepayments and other assets | 36                     | 170                    | (134)                               | (78,82%)                   |
| Related party receivables    | 905                    | 2 293                  | (1 388)                             | (60,53%)                   |
| Income tax receivables       | -                      | 17                     | (17)                                | (100%)                     |
| Cash and cash equivalents    | 3 671                  | 1 775                  | 1 896                               | 106,82%                    |
| <b>Total current assets</b>  | <b>4 685</b>           | <b>4 315</b>           | <b>370</b>                          | <b>8,57%</b>               |



## 6.5. EQUITY

|                          | 31.12.2022<br>BGN '000 | 31.12.2021<br>BGN '000 | Change<br>2022 - 2021<br>(BGN '000) | Change<br>2022/2021<br>(%) |
|--------------------------|------------------------|------------------------|-------------------------------------|----------------------------|
| <b>Equity</b>            |                        |                        |                                     |                            |
| Share Capital            | 59 361                 | 59 361                 | -                                   | -                          |
| Purchased own shares     | (85)                   | (585)                  | 500                                 | (85,47%)                   |
| Share premium reserve    | 5 372                  | 5 497                  | (125)                               | (2,27%)                    |
| Other reserves           | 1 244                  | 1 141                  | 103                                 | 9,03%                      |
| Retained earnings        | 7 559                  | 8 028                  | (469)                               | (5,84%)                    |
| Current financial result | 2 131                  | 1 034                  | 1 097                               | 106,09%                    |
| <b>Total equity</b>      | <b>75 582</b>          | <b>74 476</b>          | <b>1 106</b>                        | <b>1,49%</b>               |

In 2022, Equity increased by BGN 1 106 thousand compared to the previous reporting period.

For the reporting period share capital remained unchanged from the previous period. In execution of the decisions of the regular General Meeting of Shareholders, "Sirma Group Holding" JSC purchased 84 846 own shares. The board of directors believes in the development of the "Sirma Group Holding" JSC and the increase of the market value of the shares in the future and therefore decided to purchase these shares at a relatively low price.

## 6.6. LIABILITIES

The amount of the liabilities of "Sirma Group Holding" JSC at the end of 2022 is with BGN 18 172 thousand (56,64%) less than their value at the end of 2021.

|                                      | 31.12.2022<br>BGN '000 | 31.12.2021<br>BGN '000 | Change<br>2022 - 2021<br>(BGN '000) | Change<br>2022/2021<br>(%) |
|--------------------------------------|------------------------|------------------------|-------------------------------------|----------------------------|
| Pension employee obligations         | 55                     | 22                     | 33                                  | 150%                       |
| Long-term borrowings                 | 7 457                  | 9 038                  | (1 581)                             | (17,49%)                   |
| Long-term lease liabilities          | 130                    | 102                    | 28                                  | 27,45%                     |
| Long-term related party payables     | 3 768                  | 6 179                  | (2 411)                             | (39,02%)                   |
| Deferred tax liabilities             | -                      | 28                     | (28)                                | n/a                        |
| <b>Total Non-current liabilities</b> | <b>11 410</b>          | <b>15 369</b>          | <b>(3 959)</b>                      | <b>(25,76%)</b>            |

|                                   | 31.12.2022<br>BGN '000 | 31.12.2021<br>BGN '000 | Change<br>2022 - 2021<br>(BGN '000) | Change<br>2022/2021<br>(%) |
|-----------------------------------|------------------------|------------------------|-------------------------------------|----------------------------|
| Employee obligations              | 237                    | 356                    | (119)                               | (33,43%)                   |
| Short-term borrowings             | 1 432                  | 6 830                  | (5 398)                             | (79,03%)                   |
| Short-term lease liabilities      | 33                     | 20                     | 13                                  | 65%                        |
| Trade and other payables          | 159                    | 173                    | (14)                                | (8,09%)                    |
| Short-term related party payables | 642                    | 9 337                  | (8 695)                             | (93,12%)                   |
| <b>Total Current liabilities</b>  | <b>2 503</b>           | <b>16 716</b>          | <b>(14 213)</b>                     | <b>(85,03%)</b>            |



## LONG-TERM AND SHORT-TERM BANK LOANS

| Recipient of credit                          | In Bank                  | Type of loan | Currency | Total amount of credit (BGN) | Remaining obligation to 31.12.2022 (BGN) | Date of making the loan | Interest rate  | The amount of monthly installment (BGN) | End date of the contract | Collateral  |
|--|--------------------------|--------------|----------|------------------------------|--|-------------------------|--|---|--------------------------|---|
| <b>Loans in which the Issuer is a debtor</b> |                          |              |          |                              |  |                         |  |   |                          |   |
| Sirma Group Holding JSC                      | Eurobank Bulgaria        | Overdraft    | BGN      | 4 200 000                    | 1 105                                    | 21.07.2016              | Base + 0.7 points, but not less than 1.7% per year   | -                                       | 31.12.2022               | Pledge on shares – 1 373 548 of the share of Sirma Business Consulting AD, owned by Sirma Solutions, Pledge of Future and Current Cash Receivables and Stocks on the Open Account in Eurobank, Receivables Pledge of the Receivables under the Business Incubator Contract №BG161PO003-2.2.0012-C0001 / 02.02.2012; Contractual mortgage of a real estate located in Sofia, Mladost district, Tsarigradsko Shose Blvd 135, namely the 5th floor of the building |
| Sirma Group Holding JSC                      | United Bulgarian Bank    | Overdraft    | BGN      | 2 800 000                    | -  | 15.12.2022              | The applicable variable interest rate for the relevant interest period +1.5 points, but not less than 1.5% |   | 20.12.2024               | Pledge of receivables   |
| Sirma Group Holding JSC                      | United Bulgarian Bank    | Investment   | EUR      | 2 933 745                    | 2 615 923                                | 11.12.2021              | 3 m. EURIBOR + 1.2%, but no less than 1.3% per year  | 108                                     | 11.12.2031               | Pledge of receivables, pledge of real estate  |
| Sirma Group Holding JSC                      | United Bulgarian Bank    | Investment   | EUR      | 6 391 652                    | 5 527 176                                | 11.12.2021              | 3 m. EURIBOR + 1.2%, but no less than 1.3% per year  | 84                                      | 11.12.2029               | Pledge of receivables, pledge of commercial enterprises, pledge of real estate  |
| "Sirma Group Holding" JSC                    | United Bulgarian Bank AD | Investment   | EUR      | 731 131                      | 731 131                                  | 30.06.2021              | 3 m. EURIBOR + 1.2%, but no less than 1.3% per year  | 51                                      | 30.06.2027               | Pledge of receivables, pledge of subsidiary   |

As of the date of drawing up the annual financial report, the company's overdraft at "Eurobank Bulgaria" JSC was closed.





Annual separate management report of "Sirma Group Holding" JSC  
for 2022

| Loans for which the Issuer is a guarantor |                       |                       |          |                              |  |                         |  |   |                          |  |
|---|-----------------------|-----------------------|----------|------------------------------|--|-------------------------|--|---|--------------------------|--|
| Recipient of credit                       | In Bank               | Type of loan          | Currency | Total amount of credit (BGN) | Remaining obligation to 31.12.2022 (BGN) | Date of making the loan | Interest rate  | The amount of monthly installment (BGN) | End date of the contract | Collateral   |
| Sirma Solutions                           | United Bulgarian Bank | Overdraft             | BGN      | 4 025 000                    | 597 452                                  | 12.12.2019              | RIR + 1.2%, but no less than 1.3% per year   | -                                       | 20.12.2025               | Pledge of receivables, pledge of commercial enterprises, pledge of real estate |
| Sirma Solutions                           | United Bulgarian Bank | Overdraft             | BGN      | 4 000 000                    | -  | 28.10.2020              | RIR + 1.2%, but no less than 1.3% per year   | -                                       | 28.10.2025               | Pledge of receivables.   |
| Sciant                                    | United Bulgarian Bank | Overdraft             | BGN      | 500 000                      | -  | 18.5.2020               | The applicable variable interest rate for the relevant interest period +3.5 points, but not less than 3.5% | -                                       |                          | Pledge of receivables  |
| Sciant                                    | United Bulgarian Bank | Overdraft             | BGN      | 500 000                      | -  | 7.4.2022                | The applicable variable interest rate for the relevant interest period +1.3 points, but not less than 1.3% | -                                       |                          | Pledge of receivables  |
| EngView Systems Sofia                     | United Bulgarian Bank | Overdraft             | BGN      | 1 000 000                    | -  | 15.12.2020              | The applicable variable interest rate for the relevant interest period +1.3 points, but not less than 1.3% | -                                       |                          | Pledge of receivables  |
| Sirma Medical Systems                     | United Bulgarian Bank | Bank revolving credit | BGN      | 250 000                      | 250 000                                  | 15.12.2020              | ADI + 1,3 percent, (but not less than 1,3 percent per year)  |   | 15.12.2023               | Pledge on receivables  |
| Sirma Solutions                           | United Bulgarian Bank | Overdraft             | BGN      | 2 080 000                    | -  | 15.12.2022              | The applicable variable interest rate for the relevant interest period +1.5 points, but not less than 1.5% |   | 15.12.2024               | Pledge of receivables.   |



Other loans and deposits provided by "Sirma Group Holding" JSC and its subsidiaries:

| Lender              | Recipient                  | United identification code | Relationships                | Type    | Currency | Liability as of 31.12.2022 (BGN '000) | Date of contract/ last annex | Interest rate % | Term of contract | Pledges    |
|---------------------|----------------------------|----------------------------|------------------------------|---------|----------|---------------------------------------|------------------------------|-----------------|------------------|------------|
| Ontotext            | Sirma Medical Systems      | 204054855                  | Subsidiary                   | Loan    | BGN      | 1 100                                 | 20.12.2022                   | 2.80            | 31.12.2023       | No pledges |
| Sirma Group Holding | Sirma CI                   | 205364846                  | Subsidiary                   | Loan    | BGN      | 29                                    | 02.01.2019, 31.01.2021       | 1.3             | 31.12.2023       | No pledges |
| Sirma Group Holding | Sirma ISG                  | 201580558                  | Company under common control | Loan    | BGN      | 7                                     | 26.04.2017                   | 1.3, 2.8, 6.5   | 31.12.2023       | No pledges |
| Sirma Group Holding | Sirma ICS                  | 203940550                  | Company under common control | Loan    | BGN      | 95                                    | 23.01.2017, 31.01.2021       | 1.3             | 31.12.2023       | No pledges |
| Sirma Group Holding | Pirina Technologies        | 175149906                  | Company under common control | Loan    | BGN      | 295                                   | 10.01.2022                   | 2               | 31.12.2023       | No pledges |
| Sirma Group Holding | Sirma InsurTech            | 205982173                  | Subsidiary                   | Loan    | BGN      | 200                                   | 03.10.2022                   | 1.3             | 31.12.2023       | No pledges |
| Sirma Solutions     | Sirma ISG                  | 201580558                  | Subsidiary                   | Loan    | BGN      | 107                                   | 12.12.2016                   | 5               | 31.12.2023       | No pledges |
| Sirma Solutions     | Sirma Group Holding        | 200101236                  | Parent company               | Deposit | BGN      | 2 256                                 | 29.10.2020                   | 0.1             | 31.12.2023       | No pledges |
| Sirma Solutions     | *Individual – member of BD |                            | Related party                | Loan    | BGN      | 14                                    | 10.12.2021                   | 2.5             | 12.04.2023       | No pledges |
| Sirma Solutions     | *Individual S.S.           |                            | Non related party            | Loan    | BGN      | 150                                   | 27.06.2017, 20.09.2017       | 3               | 31.12.2023       | No pledges |
| Sirma Solutions     | *Individual S.S.           |                            | Non related party            | Loan    | BGN      | 133                                   | 31.05.2022                   | 2               | 31.12.2023       | No pledges |
| Daticum             | Sirma Group Holding        | 200101236                  | Company under common control | Deposit | BGN      | 514                                   | 04.01.2009                   | 0.1             | 31.12.2023       | No pledges |
| Worklogic Canada    | Sirma Group Inc            | Foreign company            | Non related company          | Loan    | USD      | 82                                    | 31.07.2017                   | 0.01            | 31.12.2023       | No pledges |
| Sirma InsurTech     | HRM Solutions              | 200101236                  | Subsidiary                   | Loan    | BGN      | 187                                   | 14.07.2021                   | 3.2             | 31.08.2023       | No pledges |



**Other loans and deposits received from Sirma Group Holding and its subsidiaries:**

| Recipient             | Lender              | United identification code | Relationships                | Type    | Currency | Liability as of 31.12.2022 (BGN '000) | Date of contract/ last annex | Interest rate % | Term of contract | Pledges    |
|-----------------------|---------------------|----------------------------|------------------------------|---------|----------|---------------------------------------|------------------------------|-----------------|------------------|------------|
| Sirma Medical Systems | Ontotext            | 200356710                  | Company under common control | Loan    | BGN      | 1 100                                 | 20.12.2022                   | 2.80            | 31.12.2022       | No pledges |
| Sirma CI              | Sirma Group Holding | 200101236                  | Parent company               | Loan    | BGN      | 29                                    | 02.01.2019<br>31.01.2021     | 1.3             | 31.12.2022       | No pledges |
| Sirma Group Holding   | Sirma Solutions     | 040529004                  | Subsidiary                   | Deposit | BGN      | 2 526                                 | 29.10.2020                   | 0.1             | 31.12.2022       | No pledges |
| Sirma Group Holding   | Daticum             | 200558943                  | Company under common control | Deposit | BGN      | 514                                   | 04.01.2009                   | 0.1             | 31.12.2022       | No pledges |
| Sirma Group Inc       | Worklogic Canada    | Foreign company            | Non related company          | Loan    | USD      | 82                                    | 31.07.2017                   | 0.01            | 31.12.2022       | No pledges |
| Sirma InsurTech       | *Individual Y.M.    |                            | Related party                | Loan    | BGN      | 77                                    | 30.08.2022                   | 2.9             | 31.08.2023       | No pledges |

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



## 6.7. CASH FLOW

|  | 31.12.2022<br>BGN '000 | 31.12.2021<br>BGN '000 | Change<br>2022 - 2021<br>(BGN '000) | Change<br>2022/2021<br>(%) |
|--|------------------------|------------------------|-------------------------------------|----------------------------|
| Net cash flow from operating activities                | 164                    | 1 093                  | (929)                               | (85%)                      |
| Net cash flow from investing activities                | 12 361                 | (7 247)                | 19 608                              | n/a                        |
| Net cash flow from financing activities                | (10 626)               | 6 641                  | (17 267)                            | n/a                        |
| Net change in cash and cash equivalents                | 1 899                  | 487                    | 1 412                               | 289,94%                    |
| Cash and cash equivalents at the beginning of the year | (3)                    | -                      | (3)                                 | n/a                        |
| Exchange gains/(losses) on cash and cash equivalents   | 1 775                  | 1 288                  | 487                                 | 37,81%                     |
| Cash and cash equivalents at the end of the year       | 3 671                  | 1 775                  | 1 896                               | 106,82%                    |

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

## 6.8. FINANCIAL RATIOS AND INDICATORS

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

(The indices and the coefficients have been calculated according to the instructions of BSE)

| No | Indicators   | 31.12.2022<br>BGN '000 | 31.12.2021<br>BGN '000 | Change 2022/2021<br>(Abs.) | (%)       |
|----|--|------------------------|------------------------|----------------------------|-----------|
| 1  | Revenue from operating activities                        | 13 704                 | 4 631                  | 9 073                      | 195,92%   |
| 2  | Cost of sales  | (6 065)                | (3 074)                | (2 991)                    | 97,30%    |
| 3  | Gross profit   | 7 639                  | 1 557                  | 6 082                      | 390,62%   |
| 4  | Other operating costs                                    | (184)                  | (122)                  | (62)                       | 50,82%    |
| 5  | Operating profit   | 7 455                  | 1 435                  | 6 020                      | 419,51%   |
| 6  | Financial income   | 8                      | 50                     | ( 42)                      | (84%)     |
| 7  | Financial costs  | (6 192)                | (362)                  | (5 830)                    | 1 610,50% |
| 8  | Profit before tax expense                                | 1 271                  | 1 123                  | 148                        | 13,18%    |
| 9  | Tax costs  | 860                    | (89)                   | 949                        | n/a       |
| 10 | Net profit   | 2 131                  | 1 034                  | 1 097                      | 106,09%   |
| 11 | Dividends  | 1 400                  | -                      | 1 400                      | n/a       |
| 12 | Cash and cash equivalents                                | 3 671                  | 1 775                  | 1 896                      | 106,82%   |
| 13 | Short-term assets  | 4 685                  | 4 315                  | 370                        | 8,57%     |
| 14 | Total amount of assets                                   | 89 495                 | 106 561                | (17 066)                   | (16,02%)  |
| 15 | Average arithmetic total asset value for 5 quarters      | 93 847                 | 96 671                 | (2 824)                    | (2,92%)   |
| 16 | Current liabilities                                      | 2 503                  | 16 716                 | (14 213)                   | (85,03%)  |
| 17 | Debt   | 9 052                  | 15 992                 | (6 940)                    | (43,40%)  |
| 18 | Total Liabilities  | 13 913                 | 32 085                 | (18 172)                   | (56,64%)  |
| 19 | Equity   | 75 582                 | 74 476                 | 1 106                      | 1,49%     |
| 20 | Equity averaged 5 quarters                               | 74 245                 | 73 857                 | 388                        | 0,53%     |
| 21 | Turnover capital   | 2 182                  | (12 401)               | 14 583                     | n/a       |
| 22 | Number of shares at the end of the period (in thousands) | 59 361                 | 59 361                 | -                          | -         |
| 23 | Interest expenses  | (369)                  | ( 310)                 | (59)                       | 19,03%    |
| 24 | Weighted average share price of last trading session     | 0,7375                 | 0,442                  | 0,2955                     | 66,86%    |
| 25 | Last share price of last trading session                 | 0,75                   | 0,44                   | 0,31                       | 70,45%    |



| Indicators                                   | 31.12.2022 | 31.12.2021 | Change 2022/2021 |           |
|--|------------|------------|------------------|-----------|
|  |            |            | (Abs.)           | (%)       |
| EBITDA                                       | 2 242      | 2 000      | 242              | 12,10%    |
| DEPRECIATION                                 | ( 602)     | ( 567)     | ( 35)            | 6,17%     |
| EBIT   | 1 640      | 1 433      | 207              | 14,45%    |
| FIN/INVEST NET                               | (6 184)    | ( 312)     | (5 872)          | 1 882,05% |
| EBT  | 1 271      | 1 123      | 148              | 13,18%    |
| ROA  | 0,0238     | 0,0097     | 0,0141           | 145,39%   |
| ROA(BSE)                                     | 0,0227     | 0,0107     | 0,0120           | 112,29%   |
| Debt/EBITDA Ratio                            | 4,0375     | 7,9960     | (3,9585)         | (49,51%)  |
| Quick Ratio                                  | 1,8718     | 0,2581     | 1,6137           | 625,22%   |
| ROE (BSE)                                    | 0,0287     | 0,0140     | 0,0147           | 105,01%   |
| ROE  | 0,0287     | 0,0140     | 0,0147           | 105,01%   |
| EBITDA                                       | 0,1841     | 0,4308     | (0,2467)         | (57,27%)  |
| <b>Profitability ratios</b>                  |            |            |                  |           |
| Gross profit margin                          | 0,7607     | 0,3362     | 0,4245           | 126,26%   |
| Operating profit margin                      | 0,1529     | 0,3099     | (0,1570)         | (50,66%)  |
| Net profit margin                            | 0,1555     | 0,2233     | (0,0678)         | (30,36%)  |
| <b>Coefficients for assets and liquidity</b> |            |            |                  |           |
| Assets turnover ratio                        | 0,1461     | 0,0484     | 0,0977           | 201,86%   |
| Assets turnover ratio (BSE)                  | 0,1460     | 0,0479     | 0,0981           | 204,82%   |
| Operating cycle                              | 6,2805     | (0,3734)   | 6,6539           | n/a       |
| Current ratio                                | 1,8718     | 0,2581     | 1,6137           | 625,22%   |
| Quick ratio                                  | 1,8718     | 0,2581     | 1,6137           | 625,22%   |
| Cash ratio                                   | 1,4666     | 0,1062     | 1,3604           | 1 280,98% |
| <b>Odds per share</b>                        |            |            |                  |           |
| P/S ratio                                    | 3,1946     | 5,6656     | (2,4710)         | (43,61%)  |
| P/E ratio                                    | 20,5438    | 25,3748    | (4,8310)         | (19,04%)  |
| P/B ratio                                    | 0,5792     | 0,3523     | 0,2269           | 64,41%    |
| Revenue per share                            | 0,2309     | 0,0780     | 0,1529           | 196,03%   |
| Earnings per share                           | 0,0359     | 0,0174     | 0,0185           | 106,32%   |
| Book value of equity per share               | 1,2507     | 1,2442     | 0,0065           | 0,52%     |
| <b>Development Ratios</b>                    |            |            |                  |           |
| Revenue growth                               | 1,9592     | 0,0214     | 1,9378           | 9 055,14% |
| Gross profit growth                          | 5,6956     | (0,1899)   | 5,8855           | n/a       |
| Assets growth                                | (0,1602)   | 0,1362     | (0,2964)         | n/a       |
| <b>Leverage Ratios</b>                       |            |            |                  |           |
| Debt/total assets                            | 0,0965     | 0,1654     | (0,0689)         | (41,66%)  |
| Debt/capital                                 | 0,1087     | 0,1780     | (0,0693)         | (38,93%)  |
| Debt/equity                                  | 0,1219     | 0,2165     | (0,0946)         | (43,70%)  |
| Total assets/equity                          | 1,2640     | 1,3089     | (0,0449)         | (3,43%)   |
| Market value of the company                  | 44 521     | 26 119     | 18 402           | 70,45%    |



## 6.9 RELATED PARTY TRANSACTIONS

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

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

### Transactions with subsidiaries

|   | 2022    | 2021    |
|---|---------|---------|
|   | BGN'000 | BGN'000 |
| <b>Purchases of goods and services:</b> |         |         |
| Purchases of services:                  |         |         |
| - Software services                     | -       | (4)     |
| - Advertising and marketing             | (42)    | -       |
| - Office supplies                       | -       | (3)     |
| - Inventory                             | (1)     | (1)     |
| - Computer components                   | (1)     | (2)     |
| Purchases of LTA                        | (5)     | (39)    |
| <br>Sales of goods and services         |         |         |
| Sales of services                       |         |         |
| - Administrative, accounting services   | 890     | 738     |
| - Rent                                  | 512     | 476     |
| - Consulting services                   | 31      | 91      |
| - Sale of licenses                      | 1 238   | 1 803   |
| - Cloud services                        | -       | 195     |
| - Technical Support                     | 20      | 22      |
| - Marketing and Advertising             | -       | 156     |
| - Software Services                     | -       | 2       |
| Sales of goods:                         |         |         |
| - Consumables                           | 58      | 77      |
| Dividends                               | 9 945   | 240     |
| - Received deposits                     | -       | 2 300   |
| - Refund of received deposits           | 975     | 915     |
| - Loans received                        | 1 400   | -       |
| - Recovered loans received              | (2 495) | -       |
| - Given loans                           | (397)   | (196)   |
| - Refunded loans                        | 1 093   | 209     |
| - Interest on received deposits         | 100     | 166     |
| - Interest on loans received            | 7       | -       |
| - Interest on loans granted             | 27      | 25      |





#### Transactions with other related parties under common control

|                                       | 2022    | 2021    |
|---------------------------------------|---------|---------|
|                                       | BGN'000 | BGN'000 |
| Purchases of services:                |         |         |
| - Internet                            | (43)    | (20)    |
| - Consulting services                 | -       | (7)     |
| - Subscriptions                       | -       | (1)     |
| Sale of services                      |         |         |
| - Administrative, accounting services | 240     | 155     |
| - Rent                                | 77      | 47      |
| - Consulting services                 | 3       | -       |
| - Technical Support                   | 16      | 15      |
| Purchases of goods                    |         |         |
| - Consumables                         | 6       | 6       |
| - Given loans                         | (295)   | -       |
| - Refunded loans                      | 46      | 266     |
| - Interest on loans granted           | 8       | 16      |
| - Interest on loans received          | 1       | 1       |

#### Transactions with key management personnel

|                                    | 2022         | 2021         |
|------------------------------------|--------------|--------------|
|                                    | BGN'000      | BGN'000      |
| Short-term employee benefits:      |              |              |
| Salaries including bonuses         | (486)        | (448)        |
| Social security costs              | (8)          | (7)          |
| Total short-term employee benefits | (494)        | (455)        |
| <b>Total remunerations</b>         | <b>(494)</b> | <b>(455)</b> |

The company paid dividends to key management personnel in 2022 in the amount of BGN 427 thousand (2021: BGN 0).



## 7/ ECOLOGY AND PERSONNEL

### 7.1 ECOLOGY

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

### 7.2 PERSONNEL

The Company believes that its employees play a key role in the development of its business and the overall corporate goals and therefore pays special attention to the development of a common human resources management strategy and policies. Sirma Group Holding's policies in this regard are aimed at stimulating the responsibility and motivation of the staff to fulfill the assigned tasks and objectives.

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

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

|                         | 31.12.2022 | 31.12.2021 | Relative<br>share in 2022<br>% |
|-------------------------|------------|------------|--------------------------------|
| Number of Employees     | 29         | 26         | 100,00%                        |
| Higher education        | 27         | 24         | 93,10%                         |
| Secondary education     | 2          | 2          | 6,90%                          |
| Employees 31 - 40 years | 7          | 7          | 24,14%                         |
| Employees 41 - 50 years | 16         | 15         | 55,17%                         |
| Employees 51 - 60       | 5          | 3          | 17,24%                         |
| Employees over 60       | 1          | 1          | 3,45%                          |
| Women                   | 13         | 13         | 44,83%                         |
| Men                     | 16         | 13         | 55,17%                         |

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

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



## 8/ RISK FACTORS

### 8.1 System Risks

The general risks stem from possible changes in the overall economic system and, in particular, a change in the conditions of the financial markets. They can not be diversified, as all economic entities in the country are exposed to them.

Twenty-five years after the end of the planned economy in Bulgaria, a policy of economic reforms and stabilization aimed at the imposition and functioning of the principles of a free market economy is being pursued. As a result, business entities in Bulgaria have a limited history of activity in free market conditions. In this regard, Bulgarian companies, compared to Western companies, are characterized by a lack of experience in the market economy and limited capital resources, with which to develop their business. Bulgaria also has limited infrastructure to maintain the market system.

In Bulgaria, as in most transition countries, there is a trade deficit and a current account deficit. Our country is an importer of crude oil and energy resources. In this regard, increases in oil prices and energy resources reduce the competitiveness of the Bulgarian economy and, in addition, its dependence on oil and energy imports further exposes the economy to currency risks from unfavorable changes in the USD exchange rate against the Bulgarian Lev. The capital gains from privatization are expected to gradually decrease as the privatization program is completed.

#### 8.1.1. Economic Growth

The interaction between economic growth and external indebtedness of the country has a direct impact on the formation and change of market conditions and the investment climate. Official statistics show real GDP and GDP growth per capita in recent years, which are in line with the government's development agenda.

According to published information from NSI, after the introduction of the currency board system in 1997, Bulgaria achieved macroeconomic stability and good indicators for economic development.

Delayed economic growth, not only in Bulgaria but also in other countries where the Company realizes its output, means reduced activity on the part of economic operators, where there is also a reduced level of investment in general and in particular in software solutions. In this respect, lower economic growth adversely affects the Company's activity and would prevent the future plans from being realized according to predefined parameters.

#### 8.1.2. Political Risk

The political risk is the likelihood of a change in government, or a sudden change in its policy, the emergence of internal political turmoil and unfavorable changes in European and / or national legislation, resulting in a negative change in the environment in which local businesses operate, and investors to suffer losses.

The political risks for Bulgaria at international level are related to the commitments made to implement serious structural reforms in the country as an equal member of the EU, increasing the social stability of the inefficient spending

on the one hand, as well as the severe destabilization of the countries The Middle East, the increasing threats of terrorist attacks in Europe, refugee waves, and the volatility of key countries in the immediate vicinity of Bulgaria.

Bulgaria, as well as the other EU member states in the region, continues to be seriously affected by the common European problem of the intensive Middle East refugee flow.

Other factors that also affect this risk are possible legislative changes, particularly those that concern the economic and investment climate in the country.

#### 8.1.3. Credit Risk

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

|                             | 2022         | 2021         |
|-----------------------------|--------------|--------------|
|                             | BGN'000      | BGN'000      |
| <b>Financial assets</b>     |              |              |
| Trade and other receivables | 73           | 486          |
| Related parties receivables | 952          | 6 100        |
| Cash and cash equivalents   | 3 671        | 1 775        |
|                             | <b>4 696</b> | <b>8 361</b> |

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

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

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

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

#### 8.1.4. Currency Risk

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



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

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

|                         | Short-term exposure |
|-------------------------|---------------------|
|                         | BGN'000             |
| <b>31 December 2022</b> |                     |
| Financial assets        | 15                  |
| <b>Total exposure</b>   | <b>15</b>           |
| <b>31 December 2021</b> |                     |
| Financial assets        | 416                 |
| <b>Total exposure</b>   | <b>416</b>          |

The tables below show the sensitivity of the annual net financial result after taxes and equity to possible changes in the exchange rates of the Bulgarian lev against the following foreign currencies:

- USD +/- 8.6% (for 2021: +/- 3.8%)

All other parameters are assumed to be constant.

These percentages are determined on the basis of the average exchange rates for the last 12 months. The sensitivity analysis is based on the Company's investments in foreign currency financial instruments held at the end of the reporting period.

| 31 December 2022        | Increase in the exchange rate of the Bulgarian lev |         | Decrease in the exchange rate of the Bulgarian lev |         |
|-------------------------|--|---------|--|---------|
|                         | Net financial result                               | Equity  | Net financial result                               | Equity  |
|                         | BGN'000  | BGN'000 | BGN'000  | BGN'000 |
| US Dollars (+/- 8.6 %)  | (1)  | (1)     | 1  | 11      |
| <b>31 December 2021</b> |  |         |  |         |
|                         | Net financial result                               | Equity  | Net financial result                               | Equity  |
|                         | BGN'000  | BGN'000 | BGN'000  | BGN'000 |
| US Dollars (+/- 3.8 %)  | (14)   | (14)    | 14   | 14      |

The high currency volatility seen in 2022 is expected to continue into 2025.

#### 8.1.5. Interest Rate Risk

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

In 2022, the Company is exposed to the risk of changes in market interest rates on its bank loans, which have a variable interest rate. All other financial assets and liabilities of the Company have fixed interest rates.

The tables presented below show the sensitivity of the annual net financial result after tax and equity to a likely change in interest rates on loans with a floating interest rate based on EURIBOR in the amount of +/- 94.23%. These changes are determined to be probable based on observations of current market conditions. The calculations are based on the change in the average market interest rate and on the financial instruments held by the Company at the end of the reporting period, which are sensitive to interest rate changes. All other parameters are assumed to be constant.

| 31 december 2022       | Net financial result      |                           | Equity                    |                           |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                        | increase in interest rate | decrease in interest rate | increase in interest rate | decrease in interest rate |
|                        | BGN'000                   | BGN'000                   | BGN'000                   | BGN'000                   |
| Loans (EURIBOR 94.23%) | (75)                      | (75)                      | 75                        | 75                        |

In 2021, interest on loans is formed plus a premium, but due to the weak changes in the relevant reference values in previous years, the exposure of the Company to interest rate risk is insignificant.

#### 8.1.6. Liquidity risk

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

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

As at 31 December 2022, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

| 31 December 2022         | Current         |                | Non-current   |
|--------------------------|-----------------|----------------|---------------|
|                          | Within 6 months | 6 to 12 months | 1 to 5 years  |
|                          | BGN'000         | BGN'000        | BGN'000       |
| Loan liabilities         | 716             | 716            | 7 457         |
| Lease liabilities        | 18              | 18             | 134           |
| Trade and other payables | 83              | -              | -             |
| Related party payables   | 642             | -              | 3 768         |
| <b>Total</b>             | <b>1 459</b>    | <b>734</b>     | <b>11 359</b> |

This compares to the maturity of the Company's non-derivative financial liabilities in the previous reporting period as follows:

| 31 December 2021         | Current         |                | Non-current   |
|--------------------------|-----------------|----------------|---------------|
|                          | Within 6 months | 6 to 12 months | 1 to 5 years  |
|                          | BGN'000         | BGN'000        | BGN'000       |
| Loan liabilities         | 3 415           | 3 415          | 9 038         |
| Lease liabilities        | 11              | 12             | 112           |
| Trade and other payables | 107             | -              | -             |
| Related party payables   | 5 315           | 4 022          | 6 179         |
| <b>Total</b>             | <b>8 848</b>    | <b>7 449</b>   | <b>15 329</b> |

#### 8.1.7. Inflation Risk

Inflationary risk is a general price increase whereby money is depreciated and there is a likelihood of loss from households and firms.

Inflationary risk is a general price increase whereby money is depreciated and there is a likelihood of loss from households and firms.

#### 8.1.8. Risk from unfavorable changes in tax and other legislation

The taxes paid by Bulgarian legal persons include withholding tax, local taxes and fees, corporate income tax, value added tax, excise duties, export and import duties and property taxes. The tax system in Bulgaria is still developing. This may result in contradictory tax practices, both at state and local level.

Investors should also take into account that the value of the investment in shares may be adversely affected by changes in the current tax legislation, including its interpretation and application. In addition, tax legislation is not the only one that can undergo changes, and these changes adversely affect the Company's business. Although the bulk of Bulgarian legislation is already harmonized with EU law, the application of the law is subject to criticism by the European partners in Bulgaria. Judicial and administrative practice remains problematic: the Bulgarian courts are not able to effectively resolve disputes over property rights, breaches of legal and contractual obligations, etc., resulting in a systemic regulatory risk being relatively high.

Unfavorable changes to tax and other laws would lead to a worsening of the general conditions in which the Company operates, from wherever its future results may deteriorate. In particular, the increase in the corporate income tax and other taxes would reduce the ultimate disposable profit for

new investments and / or the distribution of dividends to its shareholders.

#### 8.1.9. Force Majeure Risks

Force majeure events such as natural disasters, sabotage, war and terrorist acts, and others may lead to unpredictable changes in investor and interest in the market for all shares, as well as, in particular, the shares of Sirma Group Holding. Some force majeure events do not provide for the possibility of insurance.

Force majeure events could seriously affect the Company's performance by reducing its ability to conduct normal business activities and cause an increase in some cost items.

### 8.2. Non-system Risks

Non-system risks are associated with the overall investment risk specific to the firm and the industry itself. Non-system risks can be divided into two types: sectoral risk related to the uncertainty in the development of the sector as a whole and general business risk - arising from the specifics of the particular company.

#### 8.2.1. Industry Risks

The activity of the Company and of the companies within Sirma Group are exposed to various risks, including: 1) risks typical of the Information and Communication Technology (ICT) industry and 2) risks specific to the Company itself. Revenue and profit of the Company may be adversely affected by a number of factors: the financial market situation and the information and communication technology market; the ability of the Company to ensure effective management, assessment of the different risks and economic feasibility of individual transactions, the economic climate in the country and others.

#### 8.2.2. Specific Company Risk

The company risk is related to the nature of the Company's business, as for every firm it is important that the return on the invested funds and resources is consistent with the risk associated with the investment.

The main company risk for "Sirma Group Holding" JSC is related to the possibility of reduction of the solvent demand for the products and services offered by the Group, as well as changes in the terms of sale of those products and services. The company risk may have an impact on the growth of service and software solutions development contracts. Uncertainty can be measured by the variability of revenue earned over time. This means that the more volatile the revenues of a company, the greater the uncertainty of the company to realize a positive financial result, ie. the risk for the investors, respectively the creditors, will be higher.

#### 8.2.3. Operation Risk

Operational risks are related to the management of the company and can be expressed in the following:

- Making erroneous decisions for the ongoing management of the investment and liquidity of the company by the management staff;
- the inability of the management team to start the implementation of planned projects or lack of suitable personnel for this;
- key employees leaving and impossibility to recruit new ones;



- the risk of excessive spending on management and administration, leading to a reduction in the overall profitability of the company.

Various mechanisms will be used to optimize and manage this risk, including the following:

- sound investment policy;
- optimizing the structure, quality and return on assets of the Company;
- protection against unfavorable and undesirable external factors and attacks, etc.

#### 8.2.4. Intellectual Property Protection

The protection of the intellectual property of the Group is crucial to its success. It uses a variety of tools to identify and control potential risks and to protect its intellectual property. These measures include application for patents, trademarks, and other brands and copyrights to prevent infringement of copyright and trademarks. Despite these efforts, the Group may not be able to prevent third parties from using or selling without permission what it regards as its own technology. All these measures provide only limited protection and its rights could be challenged or otherwise affected. Any intellectual property may be vulnerable to disclosure or misuse by employees, partners or third parties. Third countries can independently develop technologies that are substantially equivalent to or better than the technology of the Company. In addition, a third party may reengineer or otherwise obtain and use technology and information that the Group considers to be its own. In this regard, the Company may not be able to protect its proprietary rights against unauthorized copying or third party use, which could have an adverse effect on the competitive and financial situation and lead to a decline in sales. In addition, the laws and courts of some countries may not offer effective protection of intellectual property rights.

#### 8.2.5. Risk of concluding insider deals at prices differing from the market ones

The company is part of an economic group. The risk of engaging in transactions with Group entities, whose conditions differ from market at the date of the transaction is eliminated to the extent that the Company seeks to maintain a transparent policy regarding its relations and the treatment of related companies. As far as there are transactions in the economic group, they are concluded under standard market conditions at the moment of transaction and do not favor any of the parties.

#### 8.2.6. Risk of asset depreciation

The impairment risk of assets is related to the possibility of reducing the carrying amount of the Company's assets. Possible impairment of tangible and / or intangible fixed assets would result in the need to account for an impairment loss. This, in turn, may worsen the Company's future financial performance as well as lead to a final negative financial result for an annual period. This in turn leads to the risk of not being able to distribute dividends to existing shareholders at this future moment, as well as a possible decrease in the market price of a shares of the Company due to the deteriorated financial indicators.

### 8.3. Risk factors, characteristic of share traded on the Stock Exchange

The risk of investing in securities is linked to the uncertainty and the inability to accurately predict future effects and the impact on the expected return on the investment made.

The main risk and uncertainty for the shareholders of "Sirma Group Holding" JSC is the probability that the investments in the company's shares will not retain its value, nor generate the expected return on them, due to a decrease in the price of the shares or a lack of other income (dividends) from them.

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

"Sirma Group Holding" JSC seeks 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 over their compliance, diversification of the client base and suppliers.

The above makes the company resistant to external negative shocks, but nevertheless has significant risks for its business that could negatively affect the company's results.

#### 8.3.1. Price Risk

The changes in the price of the shares of "Sirma Group Holding" JSC can be created both from the fundamental state of the Company - current and expected results from the activity and financial results as well as from the economic and market conditions in Bulgaria and from the market and economic conditions in the world economy.

Shareholders should keep in mind that events that may cause sudden fluctuations in market prices of shares that have previously occurred on the Bulgarian capital market and in international financial markets may occur and that such fluctuations are likely to affect unfavorable price movements of the shares of "Sirma Group Holding" JSC.

The market value of the shares will be determined on the basis of supply and demand, and the share price may increase or decrease. These "price fluctuations" can cause a security to cost at a certain point much less than the value at which it is purchased. This price dynamic is particularly typical for the ordinary stock market, whose stock prices may be subject to sharp fluctuations as a result of publicly disclosed information about the Company's financial performance, changes in legislation and other material events.

A significant number of sales of the shares of "Sirma Group Holding" JSC for a certain period of time may have an adverse effect on the maintenance of their achieved price level. Such an event would result from a significant excess of the sellers of those shares over buyers in that period. At this point in time, the Issuer or a third party does not commit to maintaining a particular price level and a significant number of sales may lead to a decrease in that level.

The Company does not guarantee to investors that the price of its shares will remain stable and / or increase its value in the future. At the moment of preparation of this document, "Sirma Group Holding" JSC or, to the best of its knowledge, other persons, do not intend to purchase shares of the Company in order to preserve and / or increase the market price of the Company's shares after the increase of capital.

#### 8.3.2. Liquidity Risk

Liquidity risk is directly related to the liquidity of the securities market itself and expresses the potential for short-term purchase or sale of the securities on the secondary market. The liquidity of the issue depends on the number of





investors who will be interested in investing in the issue. The liquidity risk of the shares will also depend on the development of the equity market in terms of the volume and variety of instruments offered, the issuer's financial position, the ability of the local capital market to attract new investors,

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

#### 8.3.3. Inflation Risk

The manifestation of the inflationary risk for the shareholders of "Sirma Group Holding" JSC would arise in cases when the income from the shares (increase in the price and / or received dividends) were lower than the inflation for the investment period. The inflation processes leads to a decrease in the real yield that investors receive.

Although in the long run equity yields usually outweigh the inflationary processes in Bulgaria and other countries with a developed market economy, there is no guarantee for the investors in the shares of "Sirma Group Holding" JSC that their investment in shares of the Company will represent a real protection against inflation.

#### 8.3.4. Dillution Risk

Pursuant to the Articles of Association of the Company no limitations on the maximum amount of future issues of shares are envisaged. For this reason, shareholder participation may be reduced as a result of a public offering if they do not exercise their rights and do not 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 amount of the assets of the Company, it is possible to decrease the value of the assets per share of the Company.

#### 8.3.5. Currency Risk

This current issue is denominated in BGN. Currency risk of the investment exists for investors whose funds are denominated in US dollars or currencies other than Lev and Euro, due to the constant exchange rate movements.

Investors who take a currency risk in the purchase of the current issue would increase or reduce the effective return on their investment as a consequence of strengthening or weakening the BGN and EUR exchange rate against the currency in which the investor's funds are denominated.

Stability and high confidence in the credibility of the Currency Board in the country, as well as the relatively stable positions of the euro on international currency markets, reduce the existence of the currency risk to minimum levels.

#### 8.3.6. Lack of an annual dividend payment guaranty

The financial results of the company depend on many factors, including the skills 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, etc. There is a risk for investors due to the lack of a guarantee for annual dividends payment.

#### 8.3.7. Risk of change in the tax treatment of investments in shares

The risk of changing in the taxation of investments in securities is linked to the change in the current taxation regime for such instruments. The latter may be considered favorable, as capital gains are tax-exempt. Changes in capital gains tax, as well as other potential changes in the taxation of securities' investments, may have a negative impact on the final realized net result by an investor.

#### 8.3.8. Risk factors included in the Registration document

The specific risks associated with the core activity of "Sirma Group Holding" JSC, as well as the general risks that may have an impact on its activities, are detailed on pages of the Registration document, Section "Risk Factors".

## 9/ INFORMATION ABOUT EVENTS AND INDICATORS WITH INCREASED NATURE OF THE COMPANY, HAVING A SIGNIFICANT EFFECT ON THEIR ACTIVITY AND THEIR INCOME AND EXPENDITURE; EVALUATION OF THEIR IMPACT ON RESULTS IN THE CURRENT YEAR.

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



## 10/ INFORMATION ABOUT OUT OF THE BALANCE SHEET TRANSACTIONS - NATURE AND BUSINESS PURPOSE, FINANCIAL IMPACT OF THE TRANSACTION ON ACTIVITY IF THE RISKS AND BENEFITS OF THESE TRANSACTIONS ARE ESSENTIAL FOR THE COMPANY AND THE DISCLOSURE OF THIS INFORMATION IS ESSENTIAL FOR ASSESSING THE FINANCIAL POSITION OF THE COMPANY.

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

## 11/ ANALYSIS AND EVALUATION OF THE POLICY FOR FINANCIAL RESOURCES MANAGEMENT AS WELL AS INDICATING THE OPPORTUNITIES FOR SERVICING OBLIGATIONS, ANY THREATS AND MEASURES WHICH THE COMPANY HAS TAKEN TO PREVENT THEM.

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

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

## 12/ ASSESSMENT OF THE POSSIBILITIES FOR THE IMPLEMENTATION OF INVESTMENT INTENTIONS WITH THE SIGNIFICANCE OF THE AMOUNT OF EXPENDITURE AND THE EFFECTIVENESS OF THE POSSIBLE CHANGES IN THE STRUCTURE OF FINANCING THAT ACTIVITY.

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



## 13/ INFORMATION ABOUT OCCURRING CHANGES IN THE REPORTING PERIOD IN THE MAIN PRINCIPLES FOR THE MANAGEMENT OF THE COMPANY AND ITS ECONOMIC GROUP.

There were no changes during the reporting period in the company's main management principles and its economic group.

## 14/ INFORMATION ABOUT THE MAIN CHARACTERISTICS OF THE FINANCIAL REPORTING PROCESSING, INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM IN THE COMPANY.

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

- adherence to a particular management and accounting policy disclosed in the financial statements;
- carrying out all operations in compliance with the laws and regulations; coverage of all events and operations in a timely manner, with the exact amount of the amounts in the appropriate accounting articles.

- accounts and the relevant reporting period so as to allow the financial statements to be prepared in accordance with the specific accounting framework;

- observance of the precautionary principle in the valuation of assets, liabilities, income and expenses;

- detection and termination of frauds and errors;

- completeness and regularity of accounting information;

- preparation of reliable financial information;

- adherence to international financial reporting standards and adherence to the going concern principle.

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

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

## 15/ INFORMATION ON CHANGES IN MANAGEMENT AND SUPERVISORY BODIES DURING THE PERIOD.

There is no change in the management and supervisory bodies of the Company during the reporting period.



## 16/ INFORMATION ABOUT THE USE OF THE FUNDS FROM A NEW ISSUED SHARES AND SECURITIES IN THE REPORTING PERIOD.

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

## 17/ DETAILS OF THE DIRECTOR FOR INVESTOR RELATIONS, INCLUDING TELEPHONE NUMBER AND ADDRESS FOR CORRESPONDENCE.

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# 18/ CHANGES IN THE PRICE OF THE SHARES OF THE COMPANY



"Sirma Group Holding" JSC

www.sirma.com

# 19/ EVENTS AFTER THE END OF THE REPORTING PERIOD

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## *Payment of a six-month dividend for 2022*

At the General Shareholders Meeting of "Sirma Group Holding" JSC, held on 09.01.2023, a decision was made regarding the distribution of a six-month dividend in the amount of BGN 889 thousand from the profit for the period 01.01.2022 – 30.06.2022 in the amount of BGN 998 thousand.

The dividend will begin to be paid within 60 days of the above-mentioned GSM in accordance with the requirements of the Central Depository.

**Sofia**  
**29.03.2023**

**CEO:**

**Tsvetan**  
**Borisov**  
**Alexiev**  
**Tsvetan Alexiev**

Digitally signed  
by Tsvetan  
Borisov Alexiev  
Date: 2023.03.29  
17:02:33 +03'00'

