



Annual Consolidated Management Report

of "Sirma Group Holding" JSC
for 2023

Content

1	STATEMENT BY THE BOARD OF DIRECTORS OF “SIRMA GROUP HOLDING” JSC	IV
2	ORGANIZATION AND WAY OF PRESENTATION	V
3	STRUCTURE OF SHARE CAPITAL AND MANAGEMENT AUTHORITIES	VII
4	FUNCTIONING OF THE GROUP	XIII
5	SIRMA GROUP IN 2023	XV
	5.1 The business	XV
	5.2 Economic Trends	XVI
	5.3. Additional information for 2023	XIX
	5.4. Major news in 2023	XX
	5.5. Main legal information in 2023	XXIII
	5.6 Information for contracted large transactions in 2023	XXVI
	5.7 Information of the used financial instruments in 2023	XXVII
	5.8 R&D activity of the Group in 2023	XXVII
	5.9 Possible future development of the Group	XXVII
	5.10 Contracts under Art.240b of the Commerical Code in 2023	XXVII
	5.11 Audit remuneration in 2023	XXVII
6	RESULTS BY COMPANY	XXVIII
	Daticum	XXVIII
	Sirma Solutions	XXX
	Sirma Insurtech and HRM Solutions	XXXIII
	EngView Systems	XXXVI
	Sirma Business Consulting	XXXIX
	Sirma Group Inc.	XLII
	Sirma ICS	XLIII
	S&G Technology Services	XLIV
	Sirma CI	XLIV
	Sirma Medical Systems	XLII
	Sciant	XLVIII
	SAI	XLVIII
	Sirma Group Holding – individual financial results	LI
7	RESULTS BY SEGMENTS	LI
8	MAIN MARKETS	LII
9	CONSOLIDATED FINANCIAL RESULTS	LIII
	Consolidated revenues	LIII
	Consolidated expenses	LIII
	Consolidated financial income / costs (net)	LIV
	Consolidated assets	LIV
	Equity	LV
	Consolidated liabilities	LV
	Cash flows	LX
	Indicators and ratios	LXI
	Related companies transactions	LXIII

10	EMPLOYEES AND ECOLOGY	LXIII
11	RISK FACTORS	LXV
	Market risk analysis.....	LXV
	Credit risk	LXVII
	Liquidity risk	LXVII
12	OTHER INFORMATION AS PER APPENDIX 11 of ORDINANCE 2 OF THE FSC	LXIV
13	CHANGES IN THE PRICE OF THE SHARES OF SIRMA GROUP HOLDING JSC	LXXI
14	EVENTS AFTER THE END OF THE REPORTING PERIOD	LXXII

1 STATEMENT BY THE BOARD OF DIRECTORS OF “SIRMA GROUP HOLDING” JSC

The present annual consolidated management report of “Sirma Group Holding” JSC covers the year, ending on 31 December 2023 and was prepared in accordance with the provisions of Article 39 of the Accountancy Law and Art. 100o, para. 2 and 5 of the the Public Offering of Securities Act (POSA), including also the established events, occurring after the balance sheet date. The structure of this report is in accordance with Appendix 9, 10 and Appendix 11 to Article 32a (2) of Ordinance No. 2 of the Financial Supervision Commission (FSC).

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 consolidated financial statements;
- all material transactions are duly accounted for and reflected in the annual consolidated financial statements as at 31 December 2023;
- there is no actual or potential breach of laws and (or) other regulatory provisions which would have a material impact on the consolidated financial statements or could serve as a basis for reporting contingent loss;
- 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 there is reason to expect that they may affect the company as a whole.

This consolidated management report contains estimates and information based on our beliefs and assumptions, using currently available information about them. Any statements contained in this report which 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 report in the Risk Section.

This report includes IT industry statistics and global economic trends which 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 type of data 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 Annual Consolidated Management Report, we analyze our business activities for the reporting financial period as well as the current situation of Sirma Group. 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 this report includes our consolidated 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 consolidated financial statements have been prepared in accordance with IFRSs. Internal control over financial reporting ensures the reliability of the information presented in the consolidated financial statements. Our Board of Directors has confirmed the effectiveness of our internal financial reporting.

All financial and non-financial data and information for the reporting period is collected and / or reported by the responsible business units.

The reporting period is the financial year ending on 31.12.2023. The report includes Sirma Group Holding JSC and all subsidiary companies of the group without EngView Systems Latin America and Sirma ISG, which are excluded from consolidation due to lack of relevance.

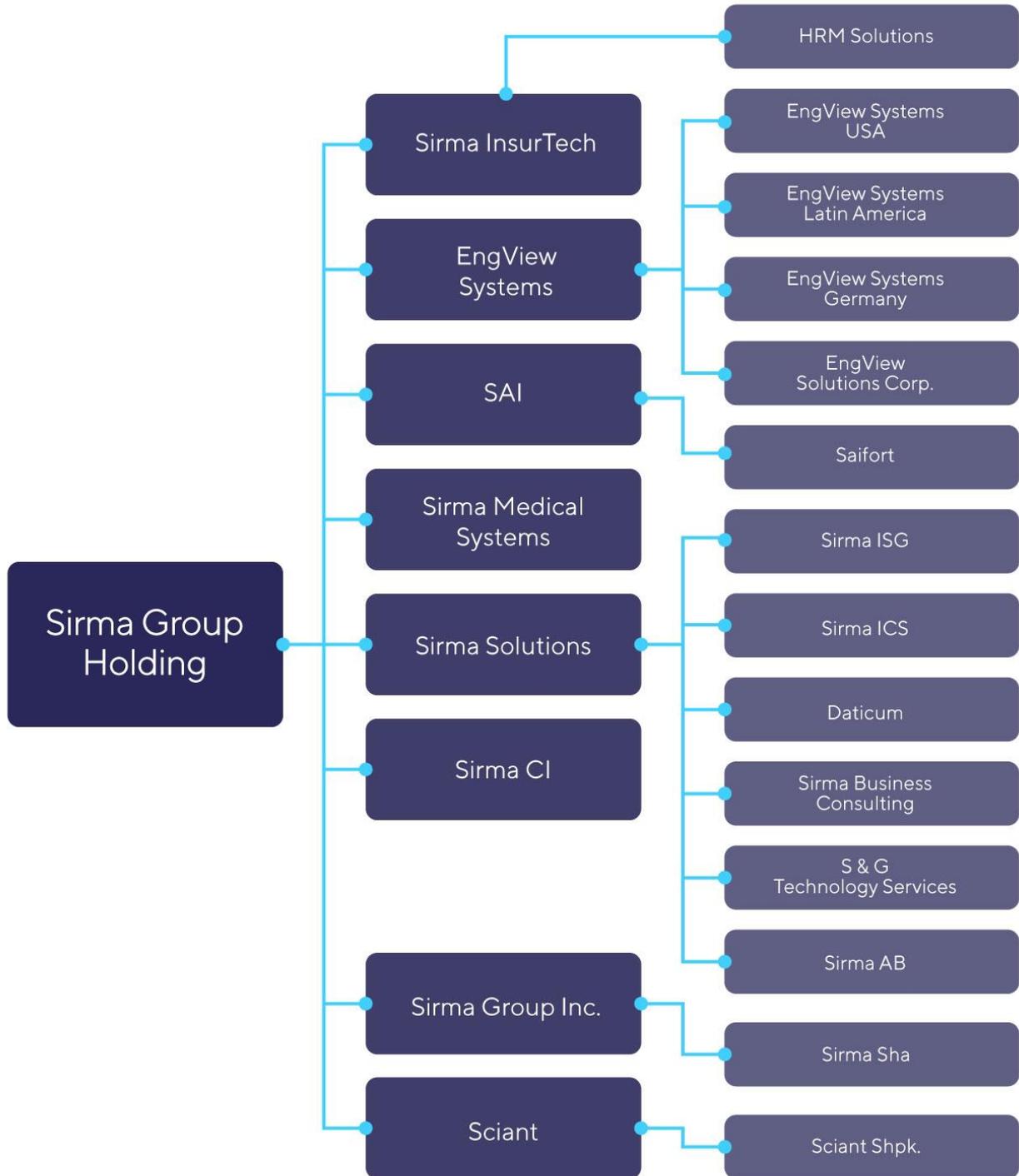
2 ORGANIZATION AND WAY OF PRESENTATION

"Sirma Group Holding" JSC is a holding company that invests in technological businesses, manages them strategically and operationally, provides its subsidiaries with management, administrative, marketing and financial services.

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

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

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



History and development of the parent company

"Sirma Group Holding" JSC is a holding company registered on 25.04.2008 at the Registry Agency with UIC 200101236, LEI: 8945007AD80FTJTEGH37, with head office: BULGARIA, Sofia (capital), Sofia municipality, City Sofia 1784, Mladost area, bul. Tsarigradsko Shose, No 135. The name of the company changed on 23.03.2009 from "SGH" JSC to "Sirma Group Holding" JSC. The company is not limited by the term of existence.

Changes in the statement of activity

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 complete solutions, including software project management, information and communication technology consultancy services, accounting services, as well as any other activity not prohibited by law.

On 23.03.2009 „Sirma Group Holding“ JSC changed its scope of activity as follows: Acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, surrender of licenses for use of patents of companies in which the holding company participates, financing of the companies in which the holding company participates, organization of the accounting and preparation of financial statements under the order of the

The object of the company is: acquisitions, management, evaluation and sale of participation in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, cession of licenses to use patents of companies which the company owns, financing of companies in which the company participates, organization of accounting and compiling financial statements under the law of accounting. The company may also carry out its own commercial activity, which is not prohibited by law.

Law for Accounting. The company may also carry out its own commercial activity, which is not prohibited by law.

From the establishment of the company until the date of this document, Sirma Group Holding JSC:

- is not the subject of consolidation;
- no transfer or pledge to the enterprise;
- No claims have been filed for the opening of insolvency proceedings of the company;
- There are no tenders from third parties to the Company or from the Company to other companies;
- Has carried out research and development activities.

CAPITAL

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

History of Share Capital

History of changes in share capital

- The company was incorporated with BGN 50,000 of capital.

On 15.10.2008, after the adoption of three triple expert appraisals of experts, the share capital was increased from BGN 50,000 to BGN 77,252,478 through non-cash contributions and issuance of new 77,202,478 shares. Non-cash contributions are 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" AD, a company registered in the Commercial Register at the Registry Agency UIC 040529004, with headquarters and address of management in Sofia, Mladost district, 135 Tsarigradsko shose Blvd., accepted as shareholder in "SGH" AD by decision of the General Meeting of "SGH" 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

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 1 BGN each. The Company's capital was reduced on the basis of Art. 200, para. 2, in conjunction with Art. 187f, par. 1, item 2n of the Bulgarian Commercial Law.

During the transformation, entered in the Commercial Register on 23.10.2014, the Company's capital is reduced to 49 837 156 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 appraisers. The shareholder structure of the Company does not change as the shareholder structures of the transforming and that of the newly established companies are mirrored.

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

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 STRUCTURE OF SHARE CAPITAL AND MANAGEMENT AUTHORITIES

3.1. Capital structure

As of 31.12.2023 the distribution of the share capital of Sirma Group Holding is as follows:

	31.12.2023	31.12.2022
Share capital (in thousand shares)	59 361	59 361
Number of shares (par value of 1 BGN)	59 360 518	59 360 518
Total number of registered shareholders	1 039	1 033
Including legal entities	39	40
Including Individuals	1 000	993
Number of shares held by legal entities	7 223 085	5 286 591
% of capital of legal entities	12,17%	8,91%
Number of shares held by individuals	52 137 433	54 073 927
% of capital held by individuals	87,83%	91,09%

Shareholders	Number of shares at 31.12.2023	Number of shares at 31.12.2022	Nominal value (BGN)	Nominal value (BGN)	% Shareholding	% of voting rights*
Georgi Parvanov Marinov	5 455 748	5 269 748	1	5 455 748	9,19%	9,48%
Tsvetan Borisov Alexiev	5 035 153	4 965 753	1	5 035 153	8,48%	8,75%
Chavdar Velizarov Dimitrov	4 817 386	4 750 786	1	4 817 386	8,12%	8,37%
Veselin Antchev Kirov	4 767 386	4 700 786	1	4 767 386	8,03%	8,28%
Ognyan Plamenov Chernokozhev	3 741 620	3 741 620	1	3 741 620	6,30%	6,50%
Ivo Petrov Petrov	3 400 000	4 013 920	1	3 400 000	5,73%	5,91%
Krasimir Nevelinov Bozhkov	2 534 161	2 534 161	1	2 534 161	4,27%	4,40%
Vladimir Ivanov Alexiev	2 177 583	2 177 583	1	2 177 583	3,67%	3,78%
Rosen Vasilev Varbanov	2 156 687	2 156 687	1	2 156 687	3,63%	3,75%
Emiliana Ilieva Ilieva	1 990 209	1 965 209	1	1 990 209	3,35%	3,46%
Deyan Nikolov Nenov	1 814 748	1 790 748	1	1 814 748	3,06%	3,15%
Purchased own shares	1 813 355	84 846	1	1 813 355	3,05%	-
Atanas Kostadinov Kiryakov	1 542 787	2 887 524	1	1 542 787	2,60%	2,68%
Rosen Ivanov Marinov	1 282 900	1 265 795	1	1 282 900	2,16%	2,23%
Advance Invest	1 099 116	411 895	1	1 099 116	1,85%	1,91%
Yavor Liudmilov Djonev	1 092 746	1 292 746	1	1 092 746	1,84%	1,90%
Peter Nikolaev Konyarov	872 803	867 165	1	872 803	1,47%	1,52%
Mandjukov Ltd.	860 000	860 000	1	860 000	1,45%	1,49%
UPF Doverie JSC	802 126	802 126	1	802 126	1,35%	1,39%
UPF DSK Rodina	747 036	747 036	1	747 036	1,26%	1,30%
Asen Krumov Nelchinov	650 449	641 349	1	650 449	1,10%	1,13%
Others	10 706 519	11 433 035	1	10 706 519	18,04%	18,62%
Total	59 360 518	59 360 518		59 360 518	100%	100%

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

As of 31 December 2023 the total amount of repurchased own shares by Sirma Group Holding JSC is 1 780 407 shares with nominal value amount of BGN 1 780 407 (3% of the share capital). The other companies of the Group that own shares of Sirma Group Holding JSC are:

- As of 31.12.2023 SAI EAD owns 550 shares of the parent company Sirma Group Holding JSC with total value of BGN 643,50. The company has no newly acquired shares during the reporting period.
- As of 31.12.2023 Sirma Solutions EAD owns 32 389 shares of the parent company Sirma Group Holding JSC with total value of BGN 18 245. The company has no newly acquired shares during the reporting period.

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

Shareholders	Number of shares at 31.12.2023	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 455 748	9,19%	9,48%
Tsvetan Borisov Alexiev	5 035 153	8,48%	8,75%
Chavdar Velizarov Dimitrov	4 817 386	8,12%	8,37%
Veselin Antchev Kirov	4 767 386	8,03%	8,28%
Ognyan Plamenov Chernokozhev	3 741 620	6,30%	6,50%
Ivo Petrov Petrov*	3 400 000	5,73%	5,91%

Shareholders	Number of shares at 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%

*As of 26.01.2024, the shareholder Ivo Petrov Petrov no longer owns more than 5% of the shares of "Sirma Group Holding" JSC

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.

3.2 Management authorities

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

The Board of Directors as at 31.12.2023 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.

Stock options of the company

As of the date of this report, no options are available to the members of the Board of Directors on shares of the Company.

Rights of the members of the BD to acquire shares and bonds of the company

The rights of the members of the BD to acquire shares in the company are regulated in the legal framework. The company does not have a bond issue.

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 2023.
2. Does not own more than 25% of the capital of other companies in 2023.
3. Procurator/manager/member of a managing/supervisory body in 2023:
 - Executive director and Chairman of the BD of "Engview Systems Sofia" JSC;
 - Member of the BD of "Sirma Business Consulting" JSC;
 - Member of the BD of "SAI" EAD;
 - 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 2023.

2. Does not own more than 25% of the capital of other companies in 2023.
3. Procurator/manager/member of a managing/supervisory body in 2023:
 - 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 2023.
3. Procurator/manager/member of a managing/supervisory body in 2023:
 - Executive director and Chairman of the BD of "Sirma Solutions" EAD;
 - Chairman of the BD of „Sirma Business Consulting“ JSC;
 - Member of the BD of „Daticum“ JSC;
 - Member of the BD of "Engview Systems" JSC;
 - Member of the BD of „Sirma“ Sha., Albania.
 - Member of the BD of „Sciart“ EAD.
 - Member of the BD of Sirma Group Inc.;

Atanas Kostadinov Kiryakov - 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 2023.
3. Procurator/manager/member of a managing/supervisory body in 2023:
 - Executive director and Member of the BD of "Ontotext" JSC;
 - Member of the BD of "Sirma Solutions" EAD;
 - Member of the BD of "Engview Systems Sofia" JSC;

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 2023.
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 2023:
 - Member of the BD of MAC „Bushido“;
 - Trustee of the foundation „Alexander“;
 - Member of the BD of „Sirma AB“;
 - 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 2023.
3. Does not participate in managing other legal entities in 2023.

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 2023:
 - "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 2023:
 - 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 2023.
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:

- | | |
|--|---|
| <p>1. The Investment, Risk and Sustainability Committee , composed of:
<i>Yordan Nedev – chairman</i>
<i>Tsvetan Alexiev – member (until 20.03.2024)</i>
<i>Stanislav Tanushev - member (after 20.03.2024)</i>
<i>Georgi Marinov – member</i></p> | <p>3. Information Disclosure Committee, composed of:
<i>Tsvetan Alexiev – chairman</i>
<i>Stanislav Tanushev – member</i>
<i>Chavdar Dimitrov – member</i>
<i>Atanas Kiryakov - member</i></p> |
| <p>2. Remuneration Committee, composed of:
<i>Georgi Marinov – chairman</i>
<i>Petar Statev – member (until 02.03.2023)</i>
<i>Martin Paev – member (after 02.03.2023)</i>
<i>Yordan Nedev – member</i></p> | <p>4. Audit Committee, composed of:
<i>Angel Petrov Kraychev - chairman</i>
<i>Alexander Todorov Kolev - member</i>
<i>Veselin Anchev Kirov – member</i></p> |

Accepted internal normative documents

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

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

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

<https://investors.sirma.com/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 shares at 31.12.2023	Number of shares at 31.12.2022	Nominal value (BGN)	Value (BGN)	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 455 748	5 269 748	1	5 455 748	9,19%	9,48%
Tsvetan Borisov Alexiev	5 035 153	4 965 753	1	5 035 153	8,48%	8,75%
Chavdar Velizarov Dimitrov	4 817 386	4 750 786	1	4 817 386	8,12%	8,37%
Veselin Anchev Kirov	4 767 386	4 700 786	1	4 767 386	8,03%	8,28%
Atanas Kostadinov Kiryakov	1 542 787	2 887 524	1	1 542 787	2,60%	2,68%
Yavor Ludmilov Djonev	1 092 746	1 292 746	1	1 092 746	1,84%	1,90%
Martin Veselinov Paev	126 920	126 720	1	126 920	0,21%	0,22%
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%
Total	22 841 659	23 997 596		22 841 659	38,48%	39,69%

During 2023 the member of the BD Georgi Parvanov Marinov acquired 186 000 shares, the member of the BD Tsvetan Borisov Alexiev acquired 69 400 shares, the member of the BD Chavdar Velizarov Dimitrov acquired 66 600 shares, the member of the BD Veselin Anchev Kirov acquired 66 600 shares, the member of the BD Martin Veselinov Paev acquired 200 shares, the member of the BD Yavor Ludmilov Djonev sold 200 000 shares and the member of the BD Atanas Kostadinov Kiryakov sold 1 344 737 shares of the capital of the company.

Remuneration of the key management personnel of the Group

	2023 BGN'000	2022 BGN'000
Short-term employee benefits:		
Salaries including bonuses	1 296	1 639
Social security costs	44	55
Total short-term employee benefits	1 340	1 694
Dividends	1 177	227
Total remunerations	2 517	1 921

Information on the contracts of the members of the administrative, management or supervisory bodies with the company providing severance pay

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

Information on the company's audit committee or remuneration committee, including the names of the members of the committee and a mandate summary by 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 to 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, the financial statements of Sirma Group Holding JSC comply with its Program for the application of internationally recognized standards for good corporate governance and maintains its accounting policy in accordance with International Accounting Standards.

4 FUNCTIONING OF THE GROUP

The economic group of "Sirma Group Holding" JSC includes the parent company and its subsidiaries and associates - all of them operating in the IT sector. The Group functions as a typical holding structure with the organization, coordination and subordination of the companies characteristic of a similar structure. Group companies have a common strategic framework, corporate values, financial and accounting policies, a vision of good corporate governance and staff policy.

Subsidiaries of "Sirma Group Holding" JSC

Company	Value of the investment at 31.12.2023 (in BGN'000)	Percentage of capital at 31.12.2023	Percentage of voting rights* at 31.12.2023	Value of the investment at 31.12.2022 (in BGN'000)	Percentage of capital at 31.12.2022	Percentage of voting rights* at 31.12.2022	Changes (in BGN'000)
Sirma Solutions EAD	39 686	100%	100%	39 686	80,11%	100,00%	-
SAI EAD	17 865	84,56%	100%	17 865	84,56%	100,00%	-
Sciant EAD	14 076	100%	100%	10 237	80,00%	80,00%	3 839
Sirma Group Inc.	3 471	76,30%	76,30%	3 471	76,30%	76,30%	-
Sirma InsurTech AD	914	55,00%	55,00%	914	55,00%	55,00%	-
Sirma CI AD	106	80,00%	80,00%	106	80,00%	80,00%	-
Sirma Medical Systems AD	66	66,00%	66,00%	66	66,00%	66,00%	-
Engview Systems AD	50	72,90%	72,90%	50	72,90%	72,90%	-

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

Subsidiaries of "Sirma Solutions" EAD

Company	Value of the investment at 31.12.2023	Percentage of capital at 31.12.2023	Value of the investment at 31.12.2022	Percentage of capital at 31.12.2022	Changes
	BGN '000		BGN '000		BGN '000
Sirma Business Consulting AD	1 374	54,08%	1 374	54,08%	-
Daticum AD	468	59,00%	1 394	60,50%	(926)
Sirma ICS AD	279	93,00%	270	90,00%	9
S&G Technology Services	117	51,00%	117	51,00%	-
Sirma AB	4	71,00%	4	71,00%	-
Sirma ISG OOD	1 374	54,08%	1 374	54,08%	-

Subsidiaries of "EngView Systems" AD

Company	Value of the investment at 31.12.2023	Percentage of capital at 31.12.2023	Value of the investment at 31.12.2022	Percentage of capital at 31.12.2022	Changes
	BGN '000		BGN '000		BGN '000
EngView Systems Germany	235	100%	235	100%	-
EngView USA	190	100%	190	100%	-
EngView Systems Latin America	-	95%	-	-	-
Engview Solutions Corp.	235	100%	235	100%	-

Subsidiary of "Sirma Group Inc."

Company	Value of the investment at 31.12.2023	Percentage of capital at 31.12.2023	Value of the investment at 31.12.2022	Percentage of capital at 31.12.2022	Changes
	BGN '000		BGN '000		BGN '000
Sirma Sha, Albania	25	55%	25	55%	-

Subsidiary of "Sirma InsurTech"

Company	Value of the investment at 31.12.2023	Percentage of capital at 31.12.2023	Value of the investment at 31.12.2022	Percentage of capital at 31.12.2022	Changes
	BGN '000		BGN '000		BGN '000
HRM Solutions EAD	150	100%	150	100%	-

Subsidiary of "Sciانت" EAD

Предприятие	Value of the investment at 31.12.2023	Percentage of capital at 31.12.2023	Value of the investment at 31.12.2022	Percentage of capital at 31.12.2022	Changes
	BGN '000		BGN '000		BGN '000
Sciانت Shpk (ReSolutions Shpk), Albania	256	100%	256	100%	-

Subsidiary of "SAI" EAD:

On 05.07.2023 the company has acquired an investment in "Saifort" Ltd., Israel. The investment is BGN 340, which represents 70% of the capital of "Saifort" Ltd.

Associated companies of "Sirma Solutions"

Company	Value of the investment at 31.12.2023	Percentage of capital at 31.12.2023	Value of the investment at 31.12.2022	Percentage of capital at 31.12.2022
	BGN '000		BGN '000	
Ontotext AD	-	-	20 511	23,80%

Information about participations

Apart from the Company's stated participations in item 4 above, there are no other participations of the Company that 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.

5 SIRMA GROUP IN 2023

5.1 THE BUSINESS

Established in 1992, Sirma has become one of the largest IT companies in the region for 27 years, owning a range of proprietary, innovative technologies, a diverse product portfolio and growing market share in Europe and North America.

Sirma owns software solutions for a wide range of businesses with a focus on the development of cognitive technologies (AI). The Group has diversified market exposure exclusively to the private sector with a stable customer portfolio. Sirma's services and solutions are concentrated in the most promising and high-tech areas - financial technologies, transport and logistics, hospitality and retail, industrial software, healthcare technologies. The group has a large sales and marketing capacity, actively uses cross-selling strategies and modern marketing mechanisms. Sirma has offices in Bulgaria, USA, UK, Canada, Germany, Sweden, Albania, Brazil and regional representatives and/or distributors in over 50 countries.

Sirma is a globally recognized company in areas such as financial technology, transportation and logistics, hospitality, healthcare technology and some classes of industrial technology. One of Sirma's products - EngView Package Designer Suite CAD is part of the packaging design and production solutions of world leaders in the printing industry. The Group is among the regional leaders of the IT market, with 60% of operators in the financial sector as clients. The Group's clients are among the world's largest logistics companies, the largest hotel chains, international banking and European institutions. One of the Group's products in the field of health care - Diabetes:M is in the Top3 global products for the fight against diabetes. Sirma has a strong presence in the US market, executing a huge number of IT consulting projects. One of the companies in the group - Daticum is a first-class regional provider of cloud services with a Class 4 Data Center, licensed for data storage by the BNB and other organizations requiring increased data security. Through one of its companies, the Group is a leader in the delivery of SaaS for insurance intermediaries. Our philosophy for our strategic technologies and solutions is that we embed a sense of human thought – perception, interpretation, prediction and decision

making. AI-based technologies have been in Sirma's DNA since its inception. In 2022, Sirma sold a majority stake in one of its subsidiaries, Sirma AI, and in early 2023, its remaining stake in it. Sirma AI (now Ontotext AD) is a company founded by Sirma and working in the field of semantic technologies. The flagship product of Sirma AI is GraphDB – one of the best graph databases in the world. An undeniably successful company, Sirma AI has reached the level where in order to continue to develop successfully and compete with its strong American competitors (companies such as Neo4J, Microsoft, Amazon, Oracle, IBM) it needs very large investments, such as Sirma can not afford. The company was valued at nearly 30M euros, which is an excellent reference for Sirma's abilities to create and develop successful businesses. In the last 2 years, Sirma's strategy has changed dramatically. The realities of the business are such that it is almost impossible to develop a product business without significant investments. That's why Sirma started positioning itself as a service company with deep expertise in several strategic verticals and powerful solutions, often supported by AI technologies. The main revenue, focus, marketing and growth are concentrated in the service-related activity - software development, IT consulting, system integration, cloud services, etc. This activity generates over 90% of the group's business. Sirma also retains an investment part - its product companies such as EngView and Sirma Medical Systems. R&D and product development is done in these companies. The companies and businesses in the investment part of the Group can be subject to investments - internal and external, they can be sold to a strategic buyer, as we have already proven that we can successfully do (the sale of Sirma AI). Growth in the main - service part of the company takes place organically and through acquisitions. Here, the model is clear, understandable for investors, with a fairly clearly established dependence "investment size - growth". The investment part is more risky, but the chances of a "breakout" or a "very successful deal" are also much greater.

Sirma's mid-term goal is to reach \$100+ million in revenue and list on a major global exchange (most likely NASDAQ). Sirma's positioning at the time of listing will be:

- One of the largest Eastern European groups specializing in providing IT services
- R&D companies in several countries in South-Eastern and Eastern Europe, providing access to one of the world's most attractive IT specialist markets
- Companies, representative offices and distributors in over 50 countries around the world
- Specialization, know-how and solutions in several strategic industries

- Regional leader in a number of industries, very good global recognition, significant reference customers
- Revenues of more than 100 million dollars and attractive EBITDA
- Excellent working marketing and sales machine
- Promising investment part – product companies and businesses and companies in incubation

5.2 ECONOMIC TRENDS

Summary

Slow economic growth, mainly driven by Asia, a "soft landing" in the US and a little harder for Europe. However, inflation is falling faster than expected, but increased risks to global economic development in 2024/2025 remain. Accordingly, expectations for 2024 have worsened compared to 2023. The ICT market once again proves its resilience to critical situations and continues to grow in 2023 and even accelerate into 2024.

Development of the economy in Bulgaria in 2023 and forecast for the future years

In spite of the more modest expectations, the Bulgarian economy marked a 2% growth ([Economic Forecast Bulgaria, EC, February 15, 2024](#)) in 2023.

In 2023, the Bulgarian economy experienced:

- limited external demand;
- strong decline in exports and hence production;
- reduced investments;
- higher interest rates in the euro zone;
- and continued price pressure.

What held back a more significant reduction in economic growth in 2023 was:

- expansion of domestic consumption;
- supported by a strong labor market;
- increased consumer confidence;
- decline in inflation and
- expansion of credit activity.

Despite an expected recovery in exports in 2024, some of the slowdown from 2023 is expected to carry over into 2024. Strong domestic consumption will remain, although not growing at the pace of 2023. After mid-2024 a gradual strengthening of demand from other European countries is expected, and hence an increase in Bulgaria's exports. A recovery of investments is also expected, and they will mainly come along the lines of absorption of European funds,

including the Fund for the Recovery and Sustainability of Bulgaria. Annual inflation (National Institute of Statistics) fell from 14.3% in December 2022 to 4.7% in December 2023. The annual inflation for 2023 was 8.6%. This decrease in inflation is expected to continue in the coming years. It can be argued that inflation in Bulgaria is under control, as in 2024 it is expected to be 3.4%, falling to 2.9% in 2025.

Development of the global economy in 2023 and forecast for the future years

Global economic growth turned out to be more sustainable than expected ([OECD Economic Outlook, February 2024](#)). At the beginning of 2023, a sharper contraction of the world's economies was forecast as real incomes fell and massive monetary tightening loomed. Inflation fell more quickly than expected, and the various support schemes in a number of countries helped to soften household spending and compensate certain industries. Steady growth has been maintained throughout the year in the US, where domestic consumption has been strong, led by a liquidation of excess savings from the time of COVID (not happening in other countries) and strong government spending. The results were significantly weaker in many other advanced economies, particularly in Europe, reflecting the relative importance of bank funding (which has become more expensive over the year) and the continued adverse effect of the energy shock.

After stronger-than-expected growth in the global economy in early 2023, according to the OECD, economic development has slowed, and this slowdown is expected to continue in 2024. The expected global growth in 2023 has been adjusted to 3.1% and 2.9% for 2024. Despite China's slower recovery in 2023, global economic growth for the year was still led by disproportionate (compared to other economies) growth in Asia. The tight monetary policy and the associated rising interest rates are giving increasingly visible results, which, in addition to falling inflation, are bringing with them a contraction in both business and consumer spending. Accordingly, growth in the US is expected to slow from 2.2% in 2023 to 2.1% in 2024 and 1.7% in 2025. In the Eurozone, where demand has already contracted (2023), economic growth is expected to be 0.6% in 2023 and recover slightly to 1.1% in 2024.

Falling energy prices and overcoming supply chain bottlenecks contributed to a faster-than-expected decline in inflation in 2023. In the absence of further supply shocks, a

gradual cooling of domestic demand and a further decline in inflation to its target levels by end of 2025.

The forecast for global economic development in 2024 and 2025 of the OECD ([OECD Economic Outlook, February 2024](#)) remains the same as that of mid-2023. Global economic growth has proven to be relatively sustainable. Moderate global economic growth, estimated at 3.1% in 2023, is expected to continue in the coming years, with a slight decline to 2.9% in 2024 and a recovery to 3% in 2025.

Although the OECD forecasts from February 2024 are more optimistic than those at the end of 2023, risks to the world's economic development still remain. Such risks are:

- Risk of a greater than expected effect from monetary restrictions: low probability / medium impact;
- global recession: average probability / average impact ;
- escalation of Russia's war in Ukraine: low probability / high impact;
- increasing debt difficulties due to high interest rates and slow growth: average probability / high impact;
- potential sustainability of inflation and the related need to maintain high interest rates for a longer period: average probability / high impact ;
- stronger-than-expected contraction of the Chinese economy, deepening deflation and contraction of domestic consumption and sales problems in the Chinese property market that generate liquidity and/or risk of debt defaults: low probability / high impact ;
- deepening of the geopolitical fragmentation that began in 2022: average probability / high impact ;
- escalation of the war between Israel and Hamas to a regional conflict and/or limitation of traffic of fuel and foods through the Middle East: low probability / high impact ;
- a possible return of energy and/or food shortages and the resulting rise in prices: high probability / high impact ;
- extreme climatic events: high probability / average impact.

The European Commission ([Winter 2024 Economic Forecast, European Commission, February 15, 2024](#)) again revised downward its forecasts for the development of the European economy (compared to expectations at the end of 2023) in the conditions of a faster than expected contraction of inflation. The EU economy continues to grow, albeit with reduced momentum. The forecast revised EU GDP growth down to 0.5% in 2023 from 0.8% forecast in the autumn and 0.9% in 2024, down from 1.4% forecast in 2023. The EC also cut expectations for euro area growth to 0.5% in 2023 (from 1.1%), 0.8% in 2024 (from 1.6%), and 1.5% in 2025.

Inflation is expected to continue to decline over the forecast horizon. The Harmonized Index of Consumer Prices (HICP) is expected to reach 6.5% in 2023 (compared to expectations of 6.5% in the autumn), 3.0% in 2024, and 2.5% in 2025 in the EU. Eurozone inflation is expected to be slightly lower than overall inflation for the Union.

The modest growth in Europe in 2023 is mainly due to waning momentum from the COVID recovery. Since the end of 2022, the economic expansion has stopped abruptly, and the economy has stagnated since then. Expectations for the first quarter of 2024 remain modest. The main reasons for this are:

- contraction of internal consumption;
- poor external demand;
- forced monetary contraction (fighting inflation);
- and the partial suspension of fiscal stimulus in 2023.

Still, it's not all bad in 2023:

- inflation fell under control and steadily decreased;
- fuel prices fell faster than expected;
- real growth of wages;
- increased internal consumption;
- regardless of logistical constraints surrounding the Red Sea conflict, inflation is expected to continue its decline in 2024 and 2025.

Although all the conditions for the recovery of economic growth are in place, risks remain. Continued logistics difficulties in the Middle East and further disruptions to trade chains could lead to production difficulties and pressure on price levels again. Risks related to climate change and extreme weather events will continue to be a threat to the continent again in 2024.

The Industry of Sirma

Sirma Group companies specialize in the information technology (IT) industry, predominantly focused on businesses (B2B). 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 sustainably growing in the past ([Gartner, July 19, 2023](#)). Both segments are seen as the solution to all problems arising from global economic uncertainty and accordingly as "immunized from crises". The mass digitization that is unfolding relies precisely on "Software", for the various technological solutions and "IT services" through which these solutions are implemented. This has led to the growth of both segments even in the turbulent year 2022. Expectations of continued growth of them are in place for 2023 and the following years.

Expectations for 2023 are that the two segments will not only maintain their growth - 13.5% for "Software" and 8.8% for "IT Services", but that this growth will be sustainable and will accelerate in the coming years - with growth in 2024 of 14.0% and 11.6% respectively.

Geographically, Sirma is focused on the world's leading markets (US, UK, and Europe), which are also the leading geographic centers for demand for ICT products and services.

Sirma is a B2B IT provider. Sirma's client portfolio - Digital Business (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 (SciAnt), and healthcare (Sirma Medical Systems) show sustainable development and strong growth in 2023 and the following years.

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

After a better-than-expected 2022, at the end 2023, Gartner also revised its forecasts for the development of the ICT market in 2023 ([Gartner, December, 2023](#)) and its expectations for 2024. 2023 is expected to bring growth of 3.5% (down from the 4.4% forecast mid-year) at current prices and 4.4% in constant currency. The ICT market is expected to reach USD 4.7 billion in 2023.

Similar to 2022, 2023 is also expected to be highly divergent. In current prices, while the "Software" segment is expected to record a double-digit growth of 12.9% (down from the forecast of 13.5% in the middle of the year), the "Devices" segment is shrinking by 10%. In 2023, the ICT sector is expected to return to "normalcy" as well as resume its sustained strong growth outlook of 8.0% (down from the mid-year forecast of 8.8%) in 2024 and corresponding growth in all segments.

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

	2022 Spending	2022 Growth (%)	2023 Spending	2023 Growth (%)	2024 Spending	2024 Growth (%)
Data Center Systems	227,021	19.7	237,703	4.7	260,221	9.5
Devices	766,279	-6.3	689,288	-10.0	722,472	4.8
Software	811,314	10.7	916,240	12.9	1,042,386	13.8
IT Services	1,305,699	7.5	1,401,038	7.3	1,547,349	10.4
Communications Services	1,423,128	-1.9	1,449,286	1.8	1,497,345	3.3
Overall IT	4,533,441	2.94	4,693,556	3.55	5,069,773	8.0

Source: Gartner (October 2023)

The ICT markets of consumers and corporate customers will experience different dynamics during the two years under review. While inflation erodes the purchasing power of individual consumers, businesses continue to spend for their digitization, process optimization, and pursuit of increased

margins. Precisely because of some of the challenges in the world, the leading segment in 2023 is "Software" with a growth of 12.9% on an annual basis in current prices in USD. The "IT services" segment remains in second place with a growth of 7.3%. Both segments are expected to maintain their leading position in 2024 with growth of 13.8% and 10.4%, respectively. The big loser in 2023 is shaping up to be the "Devices" segment, with a drop of as much as 10.0%. The negative impact of inflation on the purchasing power of clients for "Devices" around the world is one of the reasons for postponing much of the planned purchases and refraining from technological renewal, and consequently for the dramatic decline in the segment.

In 2024, Gartner expects growth to accelerate (6.8% in current prices or 7.9% in constant prices), with total global ICT spending reaching USD 5 trillion for the first time. The expectations are that the growth of the ICT industry will return to its normal levels, and this time the growth will cover all segments of the sector.

Sources of growth

The growth expected in 2023 and the following years is global and is anticipated in all regions. While leading by volume, ICT spending growth in North America, the UK and Europe will also outpace the average ICT spending growth of all other countries - for 2023 of 6.1%, 6.4% and 5.9 % growth is forecast respectively.

Even countries experiencing increased economic difficulties (Turkey, Greece, Argentina) are expected to increase their ICT spending in the coming years. Forecast growth varies significantly between countries, but no country is expected to shrink its ICT spending.

Spending growth in IT will be maintained for all countries in 2024. India is expected to break away from the rest of the countries, in its IT spending, with growth which is approaching 12%. The largest IT market in the US is expected to record strong growth again, exceeding 8% in 2024. European countries and China are oriented towards the world average of 7%. Japan and Latin American countries recorded the most modest growth, around 5%. However, it should be noted that even this weaker growth of 5% per year would have looked impressive just 10 years ago. The growth of IT spending is related to the IT saturation of the respective economy and the related IT spending per capita. The countries that lead the ranking in terms of IT spending growth are those that have realized that their economic development is tightly related to IT. Things are similar when considering verticals. Again, absolutely every industry is expected to increase its ICT spending. Banking, Financial Services, Telecommunications, Healthcare and various forms of government are expected to lead the growth of ICT spending in 2023 and beyond. These sectors are witnessing near-double-digit growth in 2023 at constant prices, and are expected to remain around and above 10% CAGR 2022-2027 levels.

The apparent resilience of the ICT sector to crises does not apply to all its segments. Despite the ubiquitous growth, it is uneven across different technology segments. The expected growth of ICT spending in current prices in 2023 is 4.4% and CAGR 2022-2027 of 6.4%. At the same time, these are only the average values, and there is almost no segment that has a similar growth. "Devices" have a negative growth, which in some cases (laptops and tablets) exceeds 15%. "IT Services" as a whole lead the segments in terms of growth. "Infrastructure as a Service" (IaaS) is outpacing all segments with an impressive growth of 22.5% in 2023 and a CAGR 2022 – 2027 of 23.2%. "Software" (Infrastructure Software,

Application Software and Vertical-Specific Software) and "IT Services" (Consulting, System Integration, Management Services) are the segments expected to lead the growth in 2023 and the following years, with double-digit annual growth, which starts from 2023.

If individuals' ICT spending is excluded from these figures, the sector's growth is even more impressive. Business spending on ICT grew by 6.7% in 2023 and is expected to grow at a CAGR of 8.0% 2022-2027. This lends credence to the claim that business ICT spending is recession-proof. Again, this growth is not evenly distributed across segments. The "Software" and "IT services" segments are leading again, but their growth is even higher, compensating for the expected decline or weaker growth in the other segments - "Hardware", "Printers", "PCs and tablets", and others.

Despite the expected growth in all segments and in 2024, the traditional leaders in terms of growth remain: the "Software" and "IT services" segments. The expected average growth for 2024 is expected to be 7%, with approximately the same CAGR for 2022-2027. Something striking is the huge difference in growth between the fastest growing and the slowest growing (sometimes shrinking) sub-segments: "Infrastructure as a Service" (IaaS) continues to be unable to fit into the graph, due to its impressive growth of 24.5% in 2024, while "Printers" and "Fixed voice" devices are expected to mark a 5% decline.

It is also noteworthy that sub-segments that are related to the ownership of devices are massively declining - desktop, laptop, printers. This trend in hardware is even dragging with it some "IT services" such as "Hardware Support". And again, similar to 2023, excluding the consumer segment increases annual growth to 8%. This shows that the driver of growth in 2024 is not consumers, but business organizations and their digitalization.

When looking at the components of growth in the leading segment "Software", huge differences can again be observed between the development of the various sub-segments - from -7% to +27%. In this segment, a growth of 10% is considered "a lager". Gartner believes the world is still in the "digital construction" stage, building the digital infrastructure needed to drive sales growth, increase efficiency and, since more recently, increase margins. The leading segments we can expect in the near future to be strengthened by the addition of artificial intelligence (which is currently not yet a major market factor). It is also interesting to note the massive dominance of cloud software relative to non-cloud solutions. Although the

latter have their place in the future as well, cloud-based software is experiencing a much greater growth, which reveals the full direction of the market towards cloud-based solutions. Almost all leading sub-segments are already predominantly in the cloud, and this share is only expected to increase in the coming years.

The different components of the second most dynamic segment - "IT services" also have very different growth, relative to each other. "Infrastructure as a service" is expected to grow, but its growth is difficult to mark on the graph. All IT services related to access to the cloud and edge software are expected to enjoy hefty growth. IT services in "Design" and "Building" in all their varieties are expected to have significant growth in 2023, as well as in the coming years. These are also the markets where the problem of the shortage of qualified labour is most acute. The lack of talent in enterprises is much more acute than in large IT companies. Accordingly, when enterprises move their operations to the cloud, or implement a new software platform that needs to be managed, the only way forward for them is to hire "Managed services". Hence the dramatic growth of "Managed services for the cloud and edge" - about 13% per year, "Corporate Strategy" - growth of about 12%, "Marketing and customer management" - growth of about 11%, "Risk Management", "Human Resource Management", "Financial Management", "Business Operations", etc. with a growth of about 10%.

In 2023, the "slowdown in the development of cloud technologies" was publicly commented on. Although the growth of cloud services falls from 25.8% to 17.8% in 2023, the growth continues to be faster by a factor, than almost all other sub-segments. Spending in the Cloud Services sub-segment has increased by USD 81 million in 2023 compared to 2022. This impressive growth is expected to continue in the coming years. It is characteristic of "Cloud" that there is no single component that is the driver of the growth slowdown in 2023 or its acceleration in 2024 and 2025. For a long time, the "Communication Services" segment was the largest in the ICT sector. From 2024 onwards, this will no longer be the case. "IT services" displaces "TELCO" in the first place, and further, it is expected to maintain its significant growth in the coming years. The "Software" sub-segment market is also expected to eclipse TELCO, but only in 2028.

5.3. ADDITIONAL INFORMATION FOR 2023

IMPACT OF EXCLUSIVE FACTORS

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

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

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

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

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

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

SIGNIFICANT CHANGES IN NET SALES OR REVENUES DISCLOSED IN THE ACCOUNTS

Significant changes in net sales or earnings reported in the Company's accounts detailed in Section 9 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.

5.4. MAJOR NEWS IN 2023

The following events and business news took place in 2023:

18-19.12.2023

Atanas Kiryakov – member of the MB of SGH took part in the discussion organized by the Science and Technology Policy Committee of OECD on public support for business, R&D and innovation.

15.12.2023

Disclosure of sale of 200 000 shares from Sirma Group Holding by member of BD – Yavor Djonev.

28.11.2023

Disclosure of the interim consolidated financial results of Sirma Group Holding JSC for the period ending on 30.09.2023.

14.11.2023

The daughter company Sirma Solutions took part in the event JS Talks 2023.

07.11.2023

Sirma Group Holding JSC взе участие в Investor Finance Forum.

27.10.2023

Disclosure of the interim individual financial results of Sirma Group Holding JSC for the period ending on 30.09.2023.

04.10.2023

The daughter company Sirma Solutions JSC took part in the event Career Show 2023.

02.10.2023

Disclosure of purchase of 66 600 shares from Sirma Group Holding by member of BD – Veselin Kirov.

02.10.2023

Disclosure of purchase of 55 263 shares from Sirma Group Holding by member of BD – Atanas Kiryakov.

02.10.2023

Disclosure of purchase of 66 600 shares from Sirma Group Holding by member of BD – Chavdar Dimitrov.

02.10.2023

Disclosure of purchase of 69 600 shares from Sirma Group Holding by CEO – Tsvetan Alexiev.

02.10.2023

Disclosure of purchase of 75 000 shares from Sirma Group Holding by Chairman of BD – Georgi Marinov.

02.10.2023

Disclosure of a buy-back of 159 600 shares by Sirma Group Holding JSC.

29.09.2023

The daughter company Sirma Business Consulting joined the Bulgarian Business Leaders Forum=

07.09.2023

The second season of the Sirma Venture Lab to support startups in the field of robotics, artificial intelligence and drone technology begins.

30.08.2023

Sirma Group Holding JSC was ranked eighth by size of revenue among the Bulgarian IT companies by the annual ranking of Capital K100.

29.08.2023

Disclosure of the interim consolidated financial results of Sirma Group Holding JSC for the period ending on 30.06.2023.

04.08.2023

Disclosure of a buy-back of 30 661 shares by Sirma Group Holding JSC.

26.07.2023

Disclosure of the interim individual financial results of Sirma Group Holding JSC for the period ending on 30.06.2023.

30.06.2023

Disclosure of purchase of 30 000 shares from Sirma Group Holding by Chairman of BD – Georgi Marinov.

28.06.2023

Disclosure of a buy-back of 50 000 shares by Sirma Group Holding JSC.

28.06.2023

Publication of Protocol for changes in the voting lists under item 4 of the Minutes from the GMS from 15.06.2023.

16.06.2023

Publication of Terms and conditions for dividend payment for 2022.

15.06.2023

Annual General meeting of shareholders of Sirma Group Holding JSC.

14.06.2023

The champion product of Sirma Medical Systems JSC – Diabetes:M was selected by Google for inclusion in their campaign WeArePlay.

13.06.2023

The first Demo Day of Sirma Venture Lab in support of innovative start-up companies.

06-08.06.2023

A team from Sirma Solutions JSC took part in the fintech event Money 2020 in Amsterdam.

07.06.2023

Sirma Group Holding JSC was awarded by the Technical University, Sofia in connection with the finalization of the education hall in the Education center for digital technologies at the university.

30.05.2023

Disclosure of the interim consolidated financial results of Sirma Group Holding JSC for the period ending on 31.03.2023.

05.05.2023

Publication of the Invitation for convening of a General Meeting of Shareholders of Sirma Group Holding JSC on the 15.06.2023.

02.05.2023

Disclosure of the interim individual financial results of Sirma Group Holding JSC for the period ending on 31.03.2023.

02.05.2023

Disclosure of the audited consolidated financial results of Sirma Group Holding JSC for the period ending on 31.12.2022.

26.04.2023

Disclosure of the registration of a daughter company Sirma AB in Stockholm, Sweden.

12.04.2023

Disclosure of the full repayment of all investment loans by Sirma Group Holding JSC.

04.04.2023

Disclosure of the acquisition of the minority share of the daughter company Sciant JSC by Sirma Group Holding JSC.

30.03.2023

Disclosure of information about the finalization of the sale of the minority stake in Sirma AI.

28.03.2023

The Executive Director of Sirma Solutions JSC was a speaker at the „Fintech and Insurtech Summit“

24.03.2023

Sirma Medical Systems has joined the Bulgarian cluster for digital solutions and innovation in healthcare

14.03.2023

Sirma Solutions took part in the forum Finovate London

07.03.2023

Disclosure of information about the appointment of a financial controller.

01.03.2023

Disclosure of interim consolidated financial reports by Sirma Group Holding JSC for the period ending on 31.12.2022.

24.02.2023

The executive director of Sirma Solutions – Momchil Zarev and the director for strategic partnerships Mark Belane took part in the forum MWC Barcelona.

21.02.2023

EngView Systems Sofia joins The European Diemaker Association

20.02.2023

Sirma Group Holding started the disbursement of the interim six-month dividend for 2022.

16.02.2023

Publication of the Minutes of the GSM of Sirma Group Holding and notification for dividend payment.

15.02.2023

An extraordinary General Meeting of the Shareholders of Sirma Group Holding JSC was held

03.02.2023

The daughter company of Sirma Group Holding JSC – Sirma Solutions JSC disclosed that it plans to hire 100 new employees in 2023

30.01.2023

Disclosure of information about the purchase of 66 000 shares of Sirma Group Holding by the Chairman of the BD of Sirma Group Holding JSC Georgi Marinov.

26.01.2023

Disclosure of information about the sale of 1 400 000 shares of Sirma Group Holding JSC by the member of the BD of Sirma Group Holding JSC Atanas Kiryakov.

26.01.2023

Disclosure of information of a buy-back of 1 398 900 shares of Sirma Group Holding JSC.

23.01.2023

Disclosure of the interim individual financial reports of Sirma Group Holding for the period ending on 31.12.2023.

13.01.2023

Disclosure of the Invitation and corresponding documents for the GMS of Sirma Group Holding JSC

09.01.2023

Publication of the Minutes of the GSM of Sirma Group Holding and notification for dividend payment.

06.01.2023

Disclosure of the Invitation to a GMS of Sirma Group Holding JSC

5.5. MAIN LEGAL INFORMATION IN 2023

Transactions with shares for the period 01.01.2023 – 31.12.2023:

- **Buyback of shares**

By decision of the General Meeting of Shareholders of "Sirma Group Holding" JSC from 09.01.2023, on 25.01.2023 "Sirma Group Holding" JSC bought back 1 398 900 of its shares at an average price of BGN 0.71 per share at a total price of BGN 993 219. The shares represent 2.37% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

By decision of the General Meeting of Shareholders of "Sirma Group Holding" JSC, dated 09.01.2023, on 27.06.2023 "Sirma Group Holding" JSC bought back 50 000 of its shares at an average price of BGN 0.677638 per share at a total price of BGN 33 881.92. The shares represent 0.0842% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

By decision of the General Meeting of Shareholders of "Sirma Group Holding" JSC, dated 09.01.2023, on 28.06.2023 "Sirma Group Holding" JSC bought back 6 000 of its shares at an average price of BGN 0.65 per share at a total price of BGN 3 900. The shares represent 0.01% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

By decision of the General Meeting of Shareholders of "Sirma Group Holding" JSC, dated 09.01.2023, on 03.08.2023 „Sirma Group Holding“ JSC bought back 30 661 of its shares at an average price of BGN 0,70 per share, for a total price of BGN 21 462,70. The shares represent 0,05% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

By decision of the General Meeting of Shareholders of "Sirma Group Holding" JSC, dated 09.01.2023, "Sirma Group Holding" JSC bought back 210 000 of its shares at an average price of BGN 0.76 per share at a total price of BGN 159 600. The shares represent 0.35% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD and entered in the company's Share register book on 02.10.2023.

- **Sale of shares by a member of the Board of Directors**

On 25.01.2023 Atanas Kiryakov - a member of the Board of Directors of "Sirma Group Holding" JSC, has sold 1 400 000 shares from the capital of "Sirma Group Holding" JSC, through transactions made on the Bulgarian Stock Exchange - Sofia at an average price of BGN 0.71 per share.

On 15.12.2023 Yavor Djonev - a member of the Board of Directors of "Sirma Group Holding" JSC, has sold 200 000 shares from the capital of "Sirma Group Holding" JSC, through transactions made on the Bulgarian Stock Exchange - Sofia at an average price of BGN 0.71 per share.

- **Purchase of shares by member of the Board**

On 27.01.2023 Georgi Marinov – Chairman of the Board of Directors of "Sirma Group Holding" JSC, has bought 66 000 shares from the capital of "Sirma Group Holding" JSC, through transactions made on the Bulgarian Stock Exchange - Sofia at an average price of 0.7779 BGN per share.

On 29.06.2023 Georgi Marinov – Chairman of the Board of Directors of "Sirma Group Holding" JSC, has bought 30 000 shares from the capital of "Sirma Group Holding" JSC, through transactions made on the Bulgarian Stock Exchange - Sofia at an average price of 0.679 BGN per share.

On 30.06.2023 Georgi Marinov – Chairman of the Board of Directors of "Sirma Group Holding" JSC, has bought 15 000 shares from the capital of "Sirma Group Holding" JSC, through transactions made on the Bulgarian Stock Exchange - Sofia at an average price of 0.67 BGN per share.

On 02.10.2023 Georgi Marinov – Chairman of the Board of Directors of "Sirma Group Holding" JSC, has bought 75 400 shares from the capital of "Sirma Group Holding" JSC, through transactions made on the Bulgarian Stock Exchange - Sofia at an average price of 0,74202 BGN per share.

On 02.10.2023 Tsvetan Alexiev – a member of the Board of Directors of "Sirma Group Holding" JSC, has bought 69 400 shares from the capital of "Sirma Group Holding" JSC, through transactions made on the Bulgarian Stock Exchange - Sofia at an average price of 0,752807 BGN per share.

On 02.10.2023 Chavdar Dimitrov – a member of the Board of Directors of "Sirma Group Holding" JSC, has bought 66 600 shares from the capital of "Sirma Group Holding" JSC, through transactions made on the Bulgarian Stock Exchange - Sofia at an average price of 0,76 BGN per share.

On 02.10.2023 Veselin Kirov – a member of the Board of Directors of "Sirma Group Holding" JSC, has bought 66 600 shares from the capital of "Sirma Group Holding" JSC, through transactions made on the Bulgarian Stock Exchange - Sofia at an average price of 0,76 BGN per share.

On 02.10.2023 Atanas Kiryakov – a member of the Board of Directors of "Sirma Group Holding" JSC, has bought 55 263 shares from the capital of "Sirma Group Holding" JSC, through transactions made on the Bulgarian Stock Exchange - Sofia at an average price of 0,76 BGN per share.

- **Sale of shares of "Daticum" AD**

On 20.03.2023 "Sirma Solutions" AD sold 34 529 (thirty-four thousand five hundred and twenty-nine) registered ordinary shares, each with a nominal value of BGN 1 /one/, from the capital of its subsidiary "Daticum" AD, to individual for the amount of BGN 34 529 (thirty-four thousand five hundred and twenty-nine). As a result of the above transaction, "Sirma Solutions" AD now owns 59,09% of the capital of "Daticum" AD.

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

On 30.03.2023 all actions regarding the sale of the entire minority package of 23.80% of the shares of the capital of "Ontotext" AD, owned by "Sirma Solutions" EAD, were finalized for a price of BGN 18 502 thousand (EUR 9 460 thousand).

- **Complete purchase of the company "Sciart AD" by "Sirma Group Holding" JSC**

On 03.04.2023 a transaction for the purchase of the remaining shares in the subsidiary of "Sirma Group Holding" JSC - "Sciart" AD was concluded as follows:

- Subsidiary whose shares are subject to redemption: "Sciart" AD;
- Company that buys the shares: "Sirma Group Holding" JSC;
- Size of the minority package object of purchase: 22.20% of the capital of "Sciart" AD distributed in 57 000 shares;
- Sellers of shares: 26 individuals and 1 legal entity.

As a result of the above transaction, "Sirma Group Holding" JSC now owns 100% of the capital of the company "Sciart" EAD.

- **Purchase of a company in Canada**

On 03.04.2023 the subsidiary of "Sirma Group Holding" JSC - "EngView Systems Sofia" AD purchased 95% of registered in Canada company Engview Solutions Corp.

- **Purchase of shares of the company "Sirma ICS" AD by "Sirma Solutions" AD**

On 21.06.2023, a transaction was concluded for the purchase from an individual of 9 000 registered class A shares in the subsidiary of "Sirma Solutions" EAD - "Sirma ICS" AD. As a result, Sirma Solutions AD now owns 93% of the capital of Sirma ICS AD.

Litigation for the period 01.01.2023 - 31.12.2023:

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

Other legal information for the period 01.01.2023 - 31.12.2023:

- **Payment of six-monthly dividend**

At the General Meeting of Shareholders 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 amount of BGN 998 thousand.

- **Change of name and Board of Directors of subsidiaries of "Sirma Group Holding" JSC**

On 10.02.2023 "Ontotext" AD - a subsidiary of "Sirma Group Holding" JSC, changed its name to "SAI" AD and a new Board of Directors of the company was registered in the CR, composed of:

Tsvetan Georgiev Trenchev

Georgi Parvanov Marinov

Yordan Stoyanov Nedev

- **Held General Meeting of "Sciart" AD - a subsidiary of "Sirma Group Holding" JSC**

On 28.02.2023 "Sciart" AD - a subsidiary of "Sirma Group Holding" JSC, held a General Meeting of Shareholders, at which the following more important decisions were made:

- increase of the Company's capital from BGN 250 000 (two hundred and fifty thousand) to BGN 257 000 (two hundred and fifty seven thousand) by issuing 7 000 (seven thousand) ordinary registered voting shares with a nominal value of BGN 1 (one) each;
- part of the Company's net profit for 2022 in the amount of BGN 1 612 500 /one million six hundred and twelve thousand and five hundred/ to be distributed as a dividend to the shareholders, and the rest of the net profit for 2022 in the amount of of BGN 1 079,5 /one thousand seventy-nine leva and fifty-five cents/ not to be distributed and to be reflected as retained earnings.

- **Change of name of a subsidiary of "Sciart" AD**

On 05.04.2023 "ReSolutions" - a subsidiary of "Sciart" AD in Albania, changed its name to "Sciart Shpk."

- **Full repayment of loans**

On 12.04.2023 "Sirma Group Holding" JSC made a full early repayment of three of its investment bank loans, including principal amounts of 4 356 154 (four million three hundred and fifty-six thousand one hundred and fifty-four) euros. As a result of the above, the company currently has no credit indebtedness under investment loans.

- **Registration of a new company in Sweden**

On 26.04.2023 "Sirma Solutions" AD received registration of its new subsidiary with 100% share participation in Stockholm, Sweden. The name of the new company is "Sirma AB". "Sirma AB" will be commercially focused on the markets in the Scandinavian countries, BENELUX and German-speaking Europe. The company will offer the full range of products and services of companies the Group. The head of the company is a local manager, and initially it is expected to have three associates for business development.

- **Reduction of capital**

On 15.05.2023, the General Meeting of Shareholders decided to reduce the capital of "Sirma Solutions" EAD on the basis of Art. 200, item 2, in connection with Art. 187d, of the Commercial Code by canceling a total of 703,589 shares with a nominal value of BGN 10 (ten) each, of which: 15 000 are class A, 62 172 are class B and 626 417 are ordinary, owned by "Sirma Solutions" AD. The shares were acquired by the company through a buy-back from shareholders. The purpose of reducing the capital through the cancellation of the above-mentioned treasury shares is to fulfill the requirements of Art. 187, in connection with Art. 187b of the Criminal Code. The decision was announced in TR on 29.05.2023, and after the expiration of a 3-month period, the capital reduction will be applied for registration.

- **Change in capital structure**

On 23.05.2023, the General Meeting of Shareholders adopted the following change in the capital structure of "Daticum" AD:

1. increases the nominal value of shares from the capital of "Daticum" AD from BGN 1 to BGN 29 per share;
2. reduces the number of shares of the Company's capital from 2,302,049 shares to 79,381 shares while preserving the percentage participation in the capital of each of the shareholders. The number of shares owned by each shareholder decreases in a way that keeps his percentage participation in the capital equal to his percentage participation in the capital before the increase in the nominal value of the shares from BGN 1 to BGN 29;
3. retains the amount of capital of BGN 2 302 049, with the company's capital being divided into 79 381 ordinary registered voting shares with a nominal value of BGN 29 per share.

The decision was entered in the CR on 30.05.2023

- **Dividend payment**

According to the decision of the General Shareholders' Meeting of Sirma Group Holding JSC dated 15 September 2023, the company proceeds with the distribution of a cash dividend in the gross amount of BGN 0.0339 for 2022.

ISIN: BG1100032140

Total amount of the dividend: BGN 1 960 317.90

Right to receive dividend: According to the decision of the General Meeting of Shareholders, all shareholders of "Sirma Group Holding" JSC as at 29 September 2023 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: 57 843 833 (deducted 1 516 685 bought back shares).

Dividend amount for one share: gross BGN 0.0339 and net for individual shareholders BGN 0.032.

The bank through which the dividend will be paid is Unicredit Bulbank AD:

Start date for dividend payment: 24 July 2023.

End date for dividend payment: 24 January 2024 (six months after the start date).

Taxes: taxes payable for dividends to individual persons will be withheld and remitted by Sirma Group Holding JSC in advance;

Bank commissions: Sirma Group Holding JSC will cover all bank fees for the payment of dividends;

Payment method:

- Shareholders who have open accounts with investment intermediaries will receive their dividend through them, complying with their requirements.
- Shareholders who are not served by an investment intermediary and whose shares are stored in personal accounts in "Register A" at the Central Depository AD, will receive their dividends through the branch network of the commercial bank Unicredit Bulbank AD.

- **Reduction of capital**

On 29.06.2023, the General Meeting of Shareholders decided to reduce the capital of "SAI" AD on the basis of Art. 200, item 2, in connection with Art. 187d, of the Commercial Code by canceling 2 480 560 shares ordinary shares with a nominal value of BGN 1 (one) each, owned by "SAI" AD. The shares were acquired by the company through a buy-back from shareholders. The purpose of reducing the capital through the cancellation of the above-mentioned treasury shares is to fulfill the requirements of Art. 187, in connection with Art. 187b of the Criminal Code. The decision was announced in TR on 03.07.2023, and after the expiration of a 3-month period, the capital reduction will be applied for entry.

- **Reduction of capital**

On 03.07.2023, the General Meeting of Shareholders decided to reduce the capital of "Daticum" AD, on the basis of Article 200, item 1, by reducing the nominal value of the shares from BGN 29 to BGN 10 for each share of the capital. The purpose of the capital reduction is to free up property (cash) due to no longer needing it, to be paid out to shareholders. After the reduction, the capital of "Daticum" AD will amount to BGN 793 810, divided into 79 381 shares, each with a nominal value of BGN 10 (ten).

The decision was announced in TR on 10.07.2023, and after the expiration of a 3-month period, the capital reduction will be applied for registration.

- **Registration of a new company in Israel**

On 05.07.2023 "SAI" AD registered a new subsidiary in Israel. The name of the new company is "SAIFORT". The capital of the new subsidiary is 1 000 Israeli shekels, divided into 10 000 shares. "SAI" AD owns 70% of the capital. "SAIFORT" will be commercially focused on the markets in Israel and the Middle East. The company will offer comprehensive "holistic" services in the field of cyber security, corporate security, auditing according to modern cyber security standards and drafting of policies and procedures in this area.

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

On 21.07.2023, "EngView Systems Sofia" AD - a subsidiary of "Sirma Group Holding" JSC, changed its name to " EngView Systems" AD.

- **Reduction of capital of subsidiary**

On 23.10.2023, in accordance with the decision of the General Meeting of Shareholders, the capital of "Sirma Solutions" was reduced on the basis of Art. 200, item 2, in connection with Art. 187d, of the Commercial Code by canceling 703 589 shares a total of shares with a nominal value of BGN 10 (ten) each, of which: 15 000 are class A, 62 172 are class B and 626 417 are ordinary, owned by "Sirma Solutions" AD. The shares were acquired by the company through a buy-back from shareholders. The capital of the company decreased from 35 370 800 to 28 334 910 BGN. The company became 100% owned by "Sirma Group Holding" JSC.

On 21.12.2023, the Board of Directors of "Sirma Solutions" EAD decided to reduce the capital of the company by reducing the nominal value of the shares from BGN 10 to BGN 5 for each share of the capital. After the reduction, the capital of the company will amount to BGN 14 167 455. The change has been requested to be announced in the Commercial Register, but has not yet been officially entered.

5.6 INFORMATION FOR CONTRACTED LARGE TRANSACTIONS IN 2023

In 2023, the company made several large contracts with customer and subcontracts, in connection with the new strategy of the Group:

Purchases:

- Deal 1 for BGN 8 456 thousand
- Deal 2 for BGN 2 495 thousand
- Deal 3 for BGN 2 375 thousand

Sales:

- Deal 1 for BGN 9 613 thousand
- Deal 2 for BGN 4 860 thousand
- Deal 3 for BGN 2 784 thousand

5.7 INFORMATION OF THE USED FINANCIAL INSTRUMENTS IN 2023

In 2023 the Group has not used any financial instruments.

5.8 R&D ACTIVITY OF THE GROUP IN 2023

The strategy for growth and development of Sirma Group 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.

5.9 POSSIBLE FUTURE DEVELOPMENT OF THE GROUP

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 effects caused by the ongoing military actions in Ukraine and the resulting economic crisis.

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 2024 Sirma Group Holding plans to integrate the companies into the holding structure. Through the integration, the holding's management aims for better competitiveness and market positioning, which will lead to access to new business opportunities, providing customers with a wider and more diverse range of services, professional growth and development of the company's employees, optimization of administrative processes, which will lead to better productivity, communication and collaboration between employees.

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

5.10 CONTRACTS UNDER ART.240B OF THE COMMERCIAL LAW IN 2023

During 2023 the Group 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.

5.11 AUDIT RENUMERATION IN 2023

„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 consolidated annual financial statements of „Sirma Group Holding“ JSC. The remuneration for the independent financial audit of the consolidated annual financial statements of the parent company and the annual financial statements of its subsidiaries for 2023 amounts to BGN 214 thousand.

6 RESULTS BY COMPANY

DATICUM

- <https://www.daticum.com/>
- **Daticum JSC is a subsidiary of Sirma Solutions EAD**
- **Capital:** BGN 793 810 divided into 79 381 shares with a nominal value of BGN 10. Sirma Solutions EAD holds 46 834 shares or 59% of the capital.

Main markets:

Bulgaria, North and South America, Europe

Main clients:

The main clients of the company are the following industries - insurance, ICT, utilities, media and information services, industrial production, wholesale and retail, transport and courier services.

Main competitors:

International companies providing cloud services such as Amazon, Google (Alphabet), Microsoft, IBM and others. At the local level, competitors can be considered "Netera" OOD, "Evolink" AD, "Telepoint" OOD, "3DC" EAD, SuperHosting.BG EOOD.

Business model of the company

The Company's core business model is to build infrastructure to provide computing resources for data processing and storage and to provide these resources for a fee to a wide range of customers who prefer not to maintain such infrastructure or have a temporary need for these resources.

Resources of the company

The company has the necessary resources and is able to invest in the development of its business without using debt capital.

New products, new business or business models for the period

The company focused on consolidating its market positions and expanding its IaaS and PaaS cloud services. Thanks to our partners, we can now offer a new Remote Backup as a Service, through which we can back up our data center data from client servers and end user devices regardless of their geographic location. Along with the increasing tendency of customers to use leased computing resources on a monthly use basis, there is a similar tendency on the part of the company's suppliers to switch to business models for the provision of licenses and services based on monthly consumption.

HR policy

Preserve current staff. Maintaining and increasing its qualification through training, courses and participation in affiliate programs. Staff costs are rising in line with an increase in business volumes by up to 10-15% per year.

Daticum in 2023

Regional and international factors affecting the company's business

- The ongoing war in Ukraine has an impact on the business risks of local companies and is reflected in the

retention of demand for Daticum's services. At this time, customers from Ukraine increased, but this did not sufficiently compensate for the retained costs of local customers.

- Military actions in the Middle East are also expected to adversely affect the economic environment.

- Fears of an impending recession in the global and Bulgarian economy make companies cautious and restrained in seeking and hiring the services provided by Daticum.

Business development in 2023 and realization of the investment plan

- Daticum continued to raise the level of revenues above the levels before the announcement of the epidemiological situation and the subsequent negative results for the economy. The demand for cloud services has exceeded our expectations, and thus we are able to compensate for the decline in demand for colocation and hardware rental services.

- Despite the crisis, Daticum continued to invest in upgrading and improving the cloud infrastructure, as well as the data center in general, in order to provide even better services to its customers.

- Daticum invested in the purchase of additional NVMe data arrays as Daticum's cloud platform customers fully switched to them. NVMe is the most advanced storage technology, which enables the fastest possible data processing during the operation of the servers. In Daticum, it completely replaces outdated technologies such as SATA, SAS and SSD data arrays.

Important events

- Daticum is actively developing its partnership with RIPE (<https://www.ripe.net/>), the regional internet registry for Europe, the Middle East and parts of Central Asia, successfully conducting training and certification of its employees.

- Daticum strengthened its marketing initiatives, with the aim of greater recognition of the company's brand. Site modifications were made in this regard, as well as Daticum's participation in various media. We have additionally strengthened our presence in the Internet space.

- Daticum has also successfully certified to the ISO 27017 standard in addition to the existing ISO 9001, ISO 27001 and ISO 27018. ISO 27017 focuses exclusively on cloud security, providing a comprehensive set of controls tailored to the unique challenges of cloud computing. It ensures that cloud service providers adhere to best practices by creating a secure ecosystem for user data based on the principles of confidentiality, integrity and availability. On the other hand, ISO 27018 focuses on protecting user data in the cloud. This certificate emphasizes the importance of data protection and prescribes guidelines for the responsible handling of personal data by cloud service providers. ISO 27018 introduces a nuanced approach to personal data protection that emphasizes transparency and control. It outlines measures for their responsible processing, providing users with confidence that their information is stored and

accessed based on strict storage protocols in the cloud environment.

New clients:

- Daticum concluded a contract with one of the largest forwarders in Romania, which successfully uses the company's services for the needs of its business.

- One of the largest grocery chains in Northeastern Bulgaria - Bulmag, became a client of Daticum.

- Startup „Data Lab“ chose Daticum as cloud service provider.

Business development in 2023 and realization of the plan

- The company's revenues from services in 2023 exceed those in 2022 by almost 15%.

- The company's profit in 2023 is by almost 10% higher than in 2022.

- The goods sold for the period was less than for this period the previous year, but this is due to the fact that this is not the main business of the company, but a complementary service that is carried out when necessary.

- Revenues from Daticum's cloud services exceed those set in the plan by 2,67% and those in 2022 by 19%.

Perspectives and forecasts for 2024

The wars in Ukraine and Middle East and their adverse economic consequences concerning the prices of fuels, electricity and hardware equipment further aggravate the global economic crisis.

At the moment, electricity prices are decreasing and are expected to reach normal levels in 2024.

Greater growth in usage of our cloud platform is expected at the expense of services such as colocation and hardware rental.

A 10% growth of the main revenues for 2024 is set.

FINANCIAL RESULTS

	31.12.2023	31.12.2022	Change	Change %
Revenues	3 336	3 529	(193)	(5,478%)
EBITDA	1 265	1 103	162	14,69%
Depreciation	(380)	(296)	(84)	28,38%
Net Result	792	721	71	9,85%
EBITDA margin	38,22%	31,26%	6,96%	22,27%
Net Profit margin	23,72%	20,43%	3,29%	16,10%
Sales per share	1,4505	1,5330	(0,08)	(5,38%)
EPS	0,3440	0,3132	0,031	9,85%
ROE	0,4356	0,2215	0,214	96,67%
Total Assets	3 531	4 090	(559)	(13,67%)
Intangibles	1 422	281	1 141	406,05%
Book value	396	2 974	(2 578)	(86,68%)
Equity	1 818	3 255	(1 437)	(44,15%)
Total Liabilities	1 713	835	878	105,15%
Interest bearing	360	429	(69)	(16,08%)
D/E	0,9422	0,2565	0,69	267,31%
ROA	0,2492	0,1958	0,0534	27,27%



SIRMA SOLUTIONS

- <http://www.sirmasolutions.com>
 - **Sirma Solutions is a subsidiary of Sirma Group Holding JSC**
- Capital: BGN 28 334 910**

SIRMA SOLUTIONS IN 2023:

General information

General information

"Sirma Solutions" EAD is a global provider of complex software systems, IT consulting and system integration, in various industrial verticals. Founded in 1992, the company is the largest in Sirma Group. Since its inception, Sirma Solutions has developed organically, thanks to the unique combination of innovative spirit, solid technology expertise and business flair.

The company specializes in the creation of corporate software systems and solutions, system integration and IT consulting for both specific industries and multi-industrial solutions. Sirma Solutions EAD is among the leading Bulgarian software developers, thanks to its excellent reputation, proven expertise and comprehensive know-how used in software product development and the successful implementation of numerous complex projects for clients on a regional and global scale.

Sirma Solutions also specializes in hardware delivery, infrastructure development, cloud services and virtualization.

The company maintains excellent relationships with leading software and technology vendors for the fastest growing industries, as well as independent software companies. Also, there are excellent interactions with the other holding company, which ensures the successful realization of projects, regardless of the degree of complexity. Depending on the size and complexity of a project, the company has access to an expanded range of resources from over 500 people.

Sirma Solutions is Microsoft Gold Partner, IBM Advanced Partner, Oracle Gold Partner, HP Preferred Gold Partner, and so on. The company is certified to ISO 9001: 2015 and ISO 27001: 2005 to meet the regulatory and contractual requirements in terms of security and data integrity and IT management.

Business activity of Sirma Solutions in 2023

General

Despite the forecasts for the growth of the ICT market in 2023, a large number of clients are frustrated due to the numerous risks to the development of the economy and the greatly slower growth. This brought about a delay, postponement or complete termination of orders in the sector. In this stagnant

conjuncture, "Sirma Solutions" EAD still managed to increase sales revenue by 15.15% in 2023.

From the beginning of 2023, the administrative fees that "Sirma Solutions" EAD pays monthly to "Sirma Group Holding" JSC were greatly increased. They are now a function of sales revenue. In parallel with this, the remuneration of the company's employees was also increased, as a compensation for the high inflation in the past year. These factors led to a loss for the company in 2023, despite increased revenues. The increase in the prices of the products and services of "Sirma Solutions" EAD and sustainability of the increased sales should compensate for this lag in 2024.

Market in North America

Over the years, Sirma has managed to build an excellent name in the software services market in the US, with the teams in Bulgaria and the US managing to deliver quality and on time without a failed project. This leads to a high rate of loyal sustainable business (over 80%). We believe that our existing contracts have a low to medium continuity risk, or in other words, we do not expect existing customers to switch our services to other competing companies.

The slow economic growth (and fears of a recession) in the USA also affected the contraction of orders to "Sirma Solutions" EAD. Increased competition for the shrinking customer pool is a challenge for new business in 2023. Accordingly, the achievement of the annual targets was not realized by the American unit.

During 2023, work continued on projects which started last year: the PureInfluencer platform (which is powered by Kanin.io technology), the 1Health.io platform (a platform for connecting their customers / suppliers / partners), projects in the automotive industry (for the development of software to track the car service process and to develop a universal multi-channel customer-dealer communicator).

North American sales revenue for "Sirma Solutions" EAD in the first half of the year amounted to 13,42% of the company's total sales, which are entirely the result of "sales of services".

European Market

The ICT market in Europe was relatively frustrated in 2023. The reasons behind this are: several bank failures in the USA and Switzerland, rapidly rising interest rates, the recession in Germany, raging war on the continent, disruptions in energy supply and fears of a more massive crisis to come. Because of this some orders to the IT sector were postponed or completely canceled in 2023.

Despite the difficult market as described above, the unit responsible for the business in Europe almost managed to achieve its annual sales targets.

In 2023, a few new projects were started and work continued on the active projects from 2022, such as:

- Implementation of an innovative chatbot solution in a large bank in Bulgaria and implementation of a solution for regulatory reports;
- Support of the IT equipment for the data center of one of the leading 5 banks in Bulgaria;
- Temenos online portal for SaaS services;
- Development of an administrative platform for working with large travel agencies;
- Development of an online payment system for a bank in Spain;
- Launch of work for support of a large bank based in Germany, as well as another fin tech German company
- Launch of work with Coca Cola,
- Launch of work for the biggest European bank.

The Bulgarian market remains predominant for the company, accounting for 74.96% of the realized sales during 2023. The remaining share is split almost evenly between the UK (4.92%) and the rest of Europe (6.70%).

Public sector

The number of new projects in the Public Sector during 2023 was small. The main reason can be the political instability in the country and, accordingly, the lack of development in the Bulgarian public and municipal sectors.

Never the less, in the public sector, during 2023, a few new contracts were struck. Work also continued on the long-term projects won in 2021 and 2022:

- construction of the overall IS for managing the activity of the Financial Mechanism Office (EEA Grants, Brussels),
- the step-by-step construction of the MusIT IS for managing Music Author's activities;
- the development of the system for electronic protocols at the NHIF
- Migration to Oracle Cloud On-Premises of a large company in the aviation industry and the development of a Learning Management System (LMS);

- On September 18, 2023, Sirma Solutions in consortium with the Open Society Institute - Sofia Foundation concluded a contract for the creation of an electronic National Map of Higher Education in the Republic of Bulgaria (NKVORB), by upgrading and developing the rating system of higher schools with the contracting authority the Ministry of Education and Science. The amount of the contract is BGN 1,999,000, and the deadline for implementation is until August 2027. Within the framework of the project, methodological development will be made by updating the criteria and indicators for comparing and evaluating individual professional fields and higher schools for the needs of the rating system and NKVORB;
- Additional functionality was ordered by the Registry Agency for their system.

The provision of warranty and out-of-warranty support for all key state IT systems developed by us also continued:

- out-of-warranty maintenance of the Bulgarian State Railways' (BDZ) operating system
- the overall IS of the NSCRLP, supporting the LP registers and playing a key role in the field of electronic health care,
- Updating the system for applying in kindergartens and upgrading the system to also manage the application process in first grade.

System integration

In 2023, the system integration team renewed partner status with vendors such as:

- Cisco Systems
- Palo Alto Networks
- Oracle

During 2023:

- We concluded a contract for system integration and supply of equipment to a large fintech company with operations in Great Britain and Bulgaria;
- We delivered more than 1,000 mobile and desktop computers, mainly to our clients in the fintech industry, and for the first time, we delivered 120 computers in a Latin American country;
- We concluded a 3-year contract for our client worth over BGN 3.5 million for the sale and integration of the new add-on to the Cisco portfolio, namely Cisco AppDynamics;
- In strong competition from local and European companies, we have renewed several annual support contracts for VMWare, Cisco, F5, Paloalto, RedHat, HPE, IBM, Immersive Labs, Lenovo, Imperva, Veeam, and others for several of our main customers, for a total value of more than BGN 2.5 million;

Annual Consolidated Management Report of “Sirma Group Holding” JSC for 2023

- We replaced servers for BGN 500 thousand in the data center of one of our client banks;
- We supplied an Oracle database for the Financial Supervision Commission;
- We delivered complete computer re-equipment and secured the data center of a bank for microcredits in Bulgaria worth over BGN 400 thousand;
- Closed a contract for the maintenance of the digital security equipment of a large fintech company;
- Extended the contract for maintenance of the data centers of a large Bulgarian bank;
- Hardware equipment of a medium-sized Bulgarian bank;
- Deal for cyber security and protection of the server environment of a large international fintech company;
- Construction of the support network of a large Bulgarian logistics company
- The public cloud of “Daticum” JSC was upgraded;
- A contract was concluded with a large bank for the supply of mobile computers;
- A contract was concluded for the provision of the system and equipment for automatic billing in a large Bulgarian city;
- A contract was concluded for the delivery of Oracle Cloud to Bulgarian Post;

- A contract was concluded for a new 4-year service period with the National Health Service, as well as provision of storage upgrade and Oracle cloud at customer;
- An enterprise backup system was integrated in a large fin tech company.

In the nine months of 2023, Sirma Solutions EAD greatly shortened the supply chain when sourcing hardware equipment for its customers. This approach paid off almost immediately, lowering the cost to the end users and thus greatly increasing the sales volume. While the sales of services in 2023 grew slightly compared to 2022, the sale of hardware marked a growth of almost 21% for the year.

Plan for 2024

In 2024, “Sirma Solutions” EAD plans to:

- Stabilizes the new business generated in North America and profit realization from this region;
- Increase revenue by another 10-12% by increasing the customer base and employees;
- Strong increase in revenues from the public sector, which are currently still too small (about 15%);
- Realization of the company's profit as a result of the activation of the work on the contracts concluded in the second half of 2023, as well as the attraction of new large customers in 2024.

FINANCIAL RESULTS

	31.12.2023	31.12.2022	Change	Change %
Revenues	44 246	38 426	5 820	15,15%
EBITDA	(244)	(2 008)	1 764	(87,85%)
Depreciation	(1 866)	(1 799)	(67)	3,72%
Net Result	(1 908)	(3 431)	1 523	(44,39%)
EBITDA margin	(0,55%)	(5,23%)	4,67%	(89,45%)
Net Profit margin	(4,31%)	(8,93%)	4,62%	(51,70%)
Sales per share	1,2509	1,0864	0,16	15,15%
EPS	(0,0539)	(0,0970)	0,043	(44,39%)
ROE	(0,7593)	(0,1090)	(0,6503)	596.83%
Total Assets	41 740	52 717	(10 977)	(20,82%)
Intangibles	4 530	5 867	(1 337)	(22,79%)
Book value	29 167	29 819	(652)	(2,187%)
Equity	33 697	35 686	(1 989)	(5,57%)
Total Liabilities	8 043	17 031	(8 988)	(52,77%)
Interest bearing	2 169	6 149	(3 980)	(64,73%)
D/E	0,064	0,1031	(0,039)	(37,55%)
ROA	(0,0457)	(0,0651)	0,0194	(29,76%)

SIRMA INSURTECH AND HRM SOLUTIONS

“Sirma InsurTech” AD is a subsidiary of “Sirma Group Holding” JSC

- **Share Capital: BGN 396 000**

The company has been part of Sirma Group since the beginning of July 2022, with the main goal of concentrating within itself and developing the technological and business knowledge of the Group in the field of insurance.

Conditions for the business development in 2023

Sirma InsurTech operates in the financial non-banking sector, with the main focus on insurance. Insurance companies, as well as Brokers, are in their early stage of digital business transformation, which in recent years was catalyzed as a process mainly by the pandemic Covid situation, but also by the change in the profile and requirements of users of insurance services. In order to continue to exist and to meet the needs of their increasingly demanding customer, otherwise rather clumsy and resistant to change, insurance companies are forced to turn to consulting services and new technological solutions that the IT sector offers, building long term partnership and business.

The company has its almost 20-year rich history in consulting services in the IT sphere, as well as in the implementation and development of software solutions for business management. The main expertise and experience is in the field of insurance as a specific area of non-banking financial services. On the one hand, the company continues to be a trusted partner of its current customers on the way to the digitization of their business processes, and on the other hand, the specific know-how in the field became the basis for creating the first own product (Sirma InSuite), developed on the basis of the Creatio platform. The product aims to help insurance companies easily integrate a CRM solution with existing insurance systems, which will lead to the automation of part of the business processes and increase efficiency, while at the same time improving the customer experience and increasing their satisfaction. The solution can be implemented in any existing ecosystem at an extremely competitive price, taking into account all the specifics of the business process and relationships between the entities of the particular insurer. A potential customer is any insurance company, regardless of its location, product portfolio or size. The solution can also be used by Brokers or other types of insurance intermediaries. The model of use of the solution is on a subscription, license basis. The initial implementation will be done by the Company's team, and the one-time price for implementation and configuration will be estimated according to the specific client and the scope of the project.

The creation of Sirma InSuite was made possible thanks to the company's partnership with CREATIO. The team includes certified consultants, architects and developers who have the necessary knowledge and skills to implement standard CREATIO solutions for any business other than insurance.

Another business line is the development of custom solutions in the field of insurance. The company has a team that has developed legacy systems for life insurance and pension insurance. Bespoke solutions continue to occupy an extremely large share in insurance companies, due to the specifics of each individual company.

Shares:

- **Ordinary Shares, Number: 396 000, Nominal: BGN 1.**
- **“Sirma Group Holding” JSC owns 55% of the capital of the company.**

Regional and international factors, reflected on the business of the company

The company has business in Bulgaria and potential for development in Europe, as the solutions it offers for insurance are applicable in any type of company, regardless of the location and the specifics of the environment. The processes that catalyze the digital transformation of insurers are the same in Bulgaria and around the world, and the solution we offer can become part of any existing ecosystem.

At the European level, Sirma InsurTech is the only representative of CREATIO that has specific expertise related to insurance.

Business development in 2023 and realization of the investment plan

In 2023, Sirma InsurTech continued to fulfill its strategic objectives:

- Continued work on pushing the product into the Creatio ecosystem. We participated in an internal Marketplace circle event aimed at promoting partner solutions on the platform
- We successfully completed an implementation project in Global Services Bulgaria.
- Bulstrad Life system was migrated onto their infrastructure in connection with specific requirements for insurers in terms of risk management.
- Signed a contract to participate as a sponsor in No Code Days in Fort Lauderdale Florida. The package includes a stand and presentations. The main target is finding partners to offer Sirma InSuite to insurance companies.
- Participation in Creatio's biggest event – No Code Days Florida, with own stand and presented the Sirma InSuite product
- Participation in DIA Barcelona
- Participation in one of the largest insurance conferences in Central and Eastern Europe in Prague, with own stand and presentation of the Sirma InSuite product
- Contracted participation at <https://www.inscee.eu/>
- The Sirma InSuite system was successfully launched in real operation in Bulstrad Life.
- We won a new client in the person of ELMark Group for the implementation of SRM
- We did a first demo through the partner in Singapore
- We generated opportunities with Millennium Insurance Serbia. A contract is expected to be signed in 2024.

- We reached an agreement to partner with Eurotrust and integrate their services into an application in Creatio.

- We signed partnership contracts with companies in Singapore and the Czech Republic

- Generated new potential leads with companies in Serbia, Lithuania and Switzerland.

Currently, we have open negotiations with Generali Slovakia, Uniqa Romania, Levins Bulgaria, Wiener Serbia, NetRisk Group Hungary, Groupama Bulgaria, Unicredit Bulbank.

"HRM Solutions" EAD is a subsidiary of "Sirma InsurTech" AD

- **Share Capital: BGN 150 000**

Shares:

HRM Solutions has been part of Sirma Group since July 2022, and is a subsidiary of "Sirma InsurTech" AD, with the main goal of concentrating and developing Sirma Group's technological and business knowledge in the field of human resources management, resources and personnel administration.

Conditions for the business development in 2023

The company provides an electronic employment file solution. In the market, especially after the pandemic in 2021, there is an increased desire to digitize employer-employee communication. There is a clear legal framework that regulates the order in which this can happen.

The company has been offering the sHRedy product since September 2020. For these 2 years, there has been a very serious interest in the product and it is the most recognizable on the market, mainly because of the very serious work on building the brand.

The solution is aimed at companies with more than 80 employees. The usage model is subscription-based, with a one-time cost for configuration and deployment.

sHRedy is the first product that integrates all the necessary qualified authentication services required by the Ordinance for electronic employment records within itself.

The product is also positioned well with the existing customers to date – Telus, KPMG IT, Soitron, Nexo, Software Group, Tavex.

Regional and international factors, reflected on the business of the company

The company has business in Bulgaria and this is the main location we are targeting at the moment. There is potential to upgrade with additional functionalities available in other group companies (HRistina) and potential for development in Europe, but there are a number of differences in the

legislation and treatment of signing and service in the other EU countries.

Business development in Q4 2023 and realization of the investment plan

In 2023, HRM Solutions continued to fulfill its strategic goals:

The company continues to rely on a stable and sustainable model of selling products with a monthly license fee, rather than relying on large one-off deals that are more difficult to predict.

The company continues to develop the team and its specific expertise in the field of CREATIO solutions. We have held talks and expect the finalization of negotiations with transform.bg and service design network for the implementation of a CRM system. Both projects are not large, but will generate references for Creatio.

- **Ordinary Shares, Number: 150 000, Nominal: BGN 1.**
- **"Sirma InsurTech" AD owns 100% of the capital of the company**

• 2 new clients were attracted

• More than 100 demonstrations were conducted with customers, and in the mass case the active party was the customer.

• Participation in the annual BAUH conference with a discussion panel on the subject of electronic employment records.

• Conducting a campaign together with Eurotrust AD regarding the need for the Electronic registered mail service when implementing an electronic employment file.

• We have developed new package plans to target smaller companies between 15 and 50 employees

At the moment, we have open negotiations with a number of large companies: Experian, Lidl and Schwartz IT, Talia, Neway, Würth.

It is being implemented in several clients in parallel, and in order to speed up the implementation processes, we have changed the terms of the contract, and the entire value is paid in advance. Our expectation is that this will engage the client's team to a greater extent, resulting in a faster completion of the implementation.

The company continues to rely on a stable and sustainable model of selling products with a monthly license fee.

Partnered with Survey Sparrow to integrate 360-degree staff assessment at Shreddy. So far, interest has been expressed in signing a contract with two more clients in 2023 – Soitron and Tavex. An annex was signed with Eurotrust, completely renegotiating the licensing model. With the new model, we will significantly reduce the fee paid for authentication services for our largest clients – Telus, Nexo and KPMG.

Contracts were re-signed with all customers intensively using Eurotrust's services to reduce the impact of price increases.

As of December 1st, AWS accounts have been migrated, and a one-year contract is about to be signed, which will reduce the cost of the infrastructure by 40%.

FINANCIAL RESULTS**SIRMA INSURTECH**

	31.12.2023	31.12.2022	Change BGN '000	Change %
Revenues	3 110	2 308	802	34,75%
EBITDA	38	(308)	346	n/a
Depreciation	(105)	(102)	(3)	2,94%
Net Result	(82)	(379)	297	(78,36%)
EBITDA margin	1,22%	(13,34%)	14,57%	n/a
Net Profit margin	(2,64%)	(16,42%)	13,82%	(83,94%)
Sales per share	7,8535	5,8283	2,03	34,75%
EPS	(0,2071)	(0,9571)	0,75	(78,36%)
ROE	(1,5569)	(2,8284)	1,251	(44,25%)
Total Assets	2 250	1 653	597	36,17%
Intangibles	962	456	506	110,96%
Book value	(911)	(322)	(589)	182,92%
Equity	52	134	(82)	(61,19%)
Total Liabilities	2 198	1 519	679	44,70%
Interest bearing	440	277	163	58,84%
D/E	8,4615	2,0672	6,3944	309,33%
ROA	(0,0400)	(0,2565)	0,2165	(84,41%)

HRM SOLUTIONS

	31.12.2023	31.12.2022	Change BGN '000	Change %
Revenues	446	313	133	42,49%
EBITDA	72	71	1	1,41%
Depreciation	(58)	(54)	(4)	7,41%
Net Result	8	10	(2)	(20,00%)
EBITDA margin	16,14%	22,68%	(6,54%)	(26,83%)
Net Profit/ (loss) margin	1,79%	3,19%	(1,40%)	(43,86%)
Sales per share	2,97	2,09	0,89	42,49%
EPS	0,0533	0,0667	(0,01)	(20,00%)
ROE	0,0600	0,0733	(0,0133)	(18,18%)
Total Assets	1 120	910	210	23,08%
Intangibles	791	810	(19)	(2,35%)
Book value	(684)	(712)	28	(3,93%)
Equity	107	99	8	8,08%
Total Liabilities	1 013	811	202	24,91%
ROA	0,0080	0,0121	(0,0041)	(33,52%)

ENGVIEW SYSTEMS

- **EngView Systems is a subsidiary company of Sirma Group Holding JSC**
- **Capital : BGN 68 587**

Shares: 68 587 ordinary named voting shares, with right to dividend and liquidation share, proportional to the participation in the capital.

Sirma Group Holding owns 50 000 shares or 72,9 % of the company capital.

EngView Systems AD is a member of Sirma Group, with main activity - development of software products and services in the field of two main vertical markets:

- Packaging industry. The products developed by the company are based on proprietary innovative technology for variation and parametric CAD / CAM and are designed for automation and optimization of the production processes, mainly connected with packages and displays of different sheet materials.
- Quality control of serial production in various industries, mainly related to machine building, mechanics, aluminum and plastic parts, etc. In this field, the company develops entirely proprietary market solutions as well as technological solutions designed for specific measurement machines for the main strategic partner - QVI.

EngView Systems in 2023

Conditions for business development in 2023

EngView Systems operates in two main markets that of software and hardware solutions in the field of Metrology and Quality Management in the production of metal products, as well as software for video measuring machines in partnership with manufacturers, and complete solutions for automation and management of the production process of the packaging industry. The company works with manufacturers of packaging and displays around the world, served by a developed and expanding network of distributors and partners, as well as our own offices in Brazil, Germany and USA.

A large share of packaging production remains in the established offset printing segment. The spread of digital technologies is happening at an ever-increasing pace and more and more companies are investing in digital printing and production machines. New niche markets are being formed, related to personalization, small circulations of cardboard and corrugated packaging, products for advertising purposes and better visualization of selected brands (shelves) or entire structures, exhibition stands, shows, printed and cut from thick materials (Rigid Board). In Europe and the United States, there is a trend for the entry and production of materials and products from them, which are directly related to nature conservation and are environmentally friendly and easily recycled.

This determines the direction of the predominant investments in the packaging industry - along with those in machines, companies from different niches are looking for solutions to further save time and resources, modernize their production to

improve their competitiveness, and follow modern technologies that improve the relationship with the customer and optimize the order channels. Such solutions are Internet and cloud-based solutions for communication with customers and shortening the Order-Delivery cycle (web-to-print, web-to-pack), which become possible precisely in combination with new digital technologies.

In the market of technologies for monitoring and quality management of mass production, there are growing trends towards digitalization of processes. This is determined by the mass penetration of new modern technologies for measurement and communication, as well as the growing availability of instruments based on such technologies.

Confidence in cloud-based technologies and SaaS solutions is also increasing. The advantages of this type of solutions such as quality of service, accessibility for a wide range of users, accelerated exchange and fast access to information, replacement of many analog processes with digital ones, the ability to quickly make accurate informed decisions based on real data and analysis, determines the future trends and market demand for such solutions and related to their work measuring equipment.

Another driving factor is the growing competition among metal manufacturers and their desire to expand their markets. This is possible only if the highest quality criteria are set and the ISO 9000 standards are met. More and more small and medium-sized companies strive to achieve this standard and this causes the demand for products that digitize processes and provide opportunities for successful management of quality.

EngView Systems successfully develops its products in its two main areas for the packaging and video measuring industries. In recent years, the company has invested in the development of new products based on its already implemented solutions and the accumulated knowledge and expertise in individual niches. They meet the latest trends, as well as customer requirements for high-quality software capable of accelerating production, increase sales through optimization and maintenance of additional processes. The company's marketing efforts combine both the traditional way of branding, advertising and product positioning, as well as new trends in digital marketing, online demonstrations, multimedia, participation in panels, etc.

The company continues to develop its core product for the packaging industry - the Packaging Suite. In the first half of the year, the main version 2023 of the product was implemented, which marked the beginning of a new Continuous Delivery policy. At the end of the period, a meeting was held with all partners from around the world, where the new functionalities

and improvements in the version were shown, and the new sales and support policies were explained to the end customers.

The purchase of services on a subscription basis is a very important trend in the global market in the last few years. This is due to the advent of cloud technology and the ability to sell even very complex software products as services rather than licenses. This makes them more affordable both in terms of price and in terms of time to master and start in real business. For this reason, SaaS sales are growing rapidly, and the pressure on suppliers to offer this type of service is growing.

After launching the policy of offering the software on a subscription basis in 2021, during 2022 and in early 2023 customers benefit from this model with smaller but ongoing payments for EngView Suite licenses. More and more customers are starting to use the software without the need to make a large investment or bear a large risk. Since this model relies on a large number of subscribers to reach the turnover of selling the software, the company still maintains its old sales model. However, in the revenue part, purchases of permanent licenses have a larger share, but in the long term this trend should reverse. From the beginning of 2023, the contract to replace the payment of royalties by Heidelberg with the payment of rent for the use of the software by their end customers came into force.

The company's expectations are that an increasing number of customers will prefer this type of software usage due to the small investment and the possibility to install the latest versions of the products within the lease. 2023 is the year EngView will invest in online products based on CAD technology. The company hopes that through the realization of online products aimed at different types of users from the packaging industry, this product will also be found to be useful for the mass consumer.

Development of the core CAD API-based technology to offer developments integrated with other products or platforms continues. The first pilot client in Bulgaria has already integrated parts of the main system into its own online store, with the use and payment model being pay per use.

In the third quarter of 2023, a new integration partnership began with the English company Infigo, known for its innovative web to print platform. A demo version will be presented at the Printing United US show in October, where EngView will also have its own booth. The official presentation of the complete integration is expected in early 2024.

In September, EngView Systems USA participated in the prestigious packaging exhibition PackExpo Las Vegas, where American customers were introduced to version 2023 of the CAD system and the latest trends in EngView's technology development.

The number of customers subscribing to the system in the US is increasing. A lot of marketing efforts are being made to establish the brand, to strengthen partnerships in the region. The company participated in several Open Houses with significant names in the industry, associations and representations in the region. The largest show in the USA,

Printing United, Atlanta, is also being prepared, where the company will be presented as a major software supplier for packaging and display manufacturers. Key contacts have been made with big names in the industry, with whom new integration projects and automations for printers and packaging manufacturers are being discussed.

A new contract was signed with a vocational school in Ghent, which will train 50 new users of the software per semester.

New mechanisms, partnerships and representations around the world are also being sought to increase brand recognition, increase sales and search for new niche markets. In the first quarter of 2023, a new VP Sales and Marketing at EngView USA started working, whose goal is to increase sales and better organize the marketing of the main products in North America. Attending several major shows, as well as signing new contracts with partners in the region, video recording of major functionalities, booking a booth at two shows in the fall, are the main highlights of the company's first 3 months in the US. Materials are being prepared for 2 specialized shows in Atlanta and Las Vegas, which will take place in the second half of the year.

At the German company EngView Systems GmbH, the after-sales service team for German-speaking customers was increased. It continues the integration project with Germany's most famous display manufacturing company, which will count on covering the entire production process through EngView functionalities. The project is expected to be completed by the end of 2023. At the end of the first half of 2023, a meeting was held in Sofia where the representatives of all EngView companies gathered. Colleagues were trained in the new policies and exchanged good practices from different parts of the world.

Products oriented to Metrology and Quality Control such as ScanFit&Measure and mCaliper, TurnCheck are also being developed.

During this quarter, first meetings were held with one of the largest manufacturers of calipers and micrometers in the world, and a new partnership with them is expected, based on technologies already developed by EngView and the mCaliper product.

Online demos of ScanFit&Measure are being held and for 2023 the company is developing more functionalities and conducting marketing more aggressively to reach more distributors and customers. Sales of this product are increasing, campaigns continue worldwide. In July, the company participates in a large exhibition in China with its own stand, and our participation in Nashville in a specialized exhibition for the industry is also being prepared. The team was increased because the customers are increasing, there is a growth in demand and the company is trying to maintain and strengthen its good policy for after-sales service as well. The growth in the proceeds from the sale of the machines is remarkable, which also contributes to the overall growth in this quarter of the revenues of the entire company.

Regional and international factors influencing the business of the company

2023 was successful and the sales made marked growth for all products. This is due both to the efforts and investments in marketing and sales, as well as to the opening of new market niches, new partnerships and new functionalities.

From last year until now, specialized sales campaigns have been carried out for different regions of the world and for different products from EngView's portfolio. An external specialized company is used, which carries out both targeted branding and sales activities.

The company develops all its products in Bulgaria, but has a network of distributors all over the world, as well as its own offices in the USA, Germany and Brazil. The factors influencing the business are mainly related to the saturation of the market with competitive products or the degree of development of the given market. Still a major share of software sales for the packaging industry is generated in Europe. The new partnership with an English plotter manufacturer was successful, for which EngView rebranded its CAD software, which will be sold to everyone who purchased the plotter.

EngView as one of the leading names in the packaging industry works with strategic partners from Germany Heidelberg for which new versions of their products are developed every year for the printing industry and from the USA - QVI for their video measuring machines. EngView has been working with both companies for years, consolidating its positions by providing quality and modern software for their customers. The company is investing in a new QVI solution in 2019 and 2020 - Turn Check. New licenses were ordered in 2023, and it is expected that they will increase by the end of the year.

Business development and investments in 2023

In 2023, the company continues to develop its products and prepare for more online services and developments. Work on the online product for daymakers, as well as new online products, began already in the first days of the new year, and a new basic version of the CAD product was implemented. In 2023, the product management will change the policy for the implementation of new versions, as a Continuous development model will be followed, through which all customers with a

contract or leased software will receive a new version at least once a year.

The company is gradually increasing its capacity and resources for innovation developments in the two areas in which it operates. In 2023, the company seeks to increase its teams and hire new employees, activities are planned to retain key personnel.

In the US, the company is very actively working for brand recognition, to win new partnerships and customers, and to enforce the subscription model that will bring stability and growth from sales in the coming years.

The German company EngView Systems GmbH hired and trained a new person to handle customer support. The company is still young, but it is already successfully establishing its name and making sales. There is already a website in German, we are working with an external company for searching for new customers, processing leads and conducting specialized campaigns. In the last working days of 2022, a contract was signed with a German company for the development of an integrated solution in the field of design and production of displays, which will be implemented in the first quarter of 2023 and will continue until the end of 2023.

In Brazil, it is established as the main sales model through the subscription principle. Sales from there have increased compared to last year, and we hope that this trend will continue in the coming periods.

A new entity was acquired in Canada in 2023 by purchasing an existing business there. It is expected until the end of 2023 it will start generating new sales in both of the company's main directions.

Perspectives and forecast for 2024

Revenues are expected to increase on an annual basis in 2024. The biggest show in the packaging and printing industry Drupa will take place in June 2024 in Düsseldorf, for which the company is hard at work preparing. Campaigns are developed, new distributors are sought, and presence is strengthened in both niche markets.

FINANCIAL RESULTS

	31.12.2023	31.12.2022	Change	Change %
Revenues	3 957	4 221	(264)	(6,25%)
EBITDA	934	1 558	(624)	(40,05%)
Depreciation	(837)	(797)	(40)	5,02%
Net Result	83	681	(598)	(87,81%)
EBITDA margin	23,66%	36,91%	(13,25%)	(35,89%)
Net Profit margin	2,10%	16,13%	(14,03%)	(86,97%)
Sales per share	57,2029	61,1739	(3,97)	(6,49%)
EPS	1,2029	9,8696	(8,67)	(87,81%)
ROE	1,3188	10,9420	(9,6232)	(87,95%)
Total Assets	5 708	5 954	(246)	(4,13%)
Intangibles	4 085	3 440	645	18,75%
Book value	930	1 794	(864)	(48,16%)
Equity	5 015	5 234	(219)	(4,18%)
Total Liabilities	693	720	(28)	(3,75%)
Interest bearing	176	287	(111)	(38,68%)
D/E	0,0351	0,0548	(0,020)	(36,00%)
ROA	0,0159	0,1268	(0,1109)	(87,43%)

SIRMA BUSINESS CONSULTING

- <https://sirmabc.com/>
- **Sirma Business Consulting AD is a subsidiary of Sirma Solutions EAD**
- **Capital: BGN 2 539 768**

Shares: Special conditions for transfer: the shares are vinculated and non-transferable for a period of three years from the incorporation of the company.

Classes of shares:

CLASS A: Number: 1 958 268, Nominal: BGN 1 Rights: regular, voting, right to dividend and liquidation share

CLASS B: Number: 581 500, Nominal: BGN 1 - Privileged, Non-voting, Entitled to Guaranteed Dividend

„Sirma Solutions“ EAD holds 1 077 048 Class A shares and 296 500 Class B shares or 54.08% of the company's capital and 55% of the voting shares.

Sirma Business Consulting (SirmaBC) is a subsidiary of Sirma Solutions JSC, which is highly specialized in the provision of software products and services in the financial sector. The SirmaBC implements Universal Banking Solutions (UBS) individually or based on the FlexCube (Oracle platform). This is a complete banking solution which has received worldwide recognition as one of the most preferred systems in the banking and financial industries.

The range of services provided by the company covers mainly banking, retail and wholesale banking, regulatory compliance and risk management as well as the whole range of

implementation and advisory services. SirmaBC is the third largest holding company and accounts for about 20% of revenue.

SirmaBC was established as a consolidated unit in 2007 and has since become one of the leading technology players in the financial sector. The company has been established not only in the local market, but has continued to seek to increase its presence on international markets, especially in Europe, North and South America, Asia and the Caribbean. SirmaBC has a team of highly specialized professionals with complementary expertise in the financial field. This helps to develop a wide range of products designed to respond to growing demand



and evolving industry trends tailored to the banking and financial industry specification both locally and globally.

Conditions for business development in 2023

Several serious challenges are emerging for the company that delivers solutions and services to financial players:

- Price adjustment of the offered services and products.
- Finding and retaining highly qualified personnel within the Bulgarian market.
- Adaptation of the business model and approaches in project implementation.
- Adaptation of existing solutions in the company's portfolio to meet new regulatory requirements and trends in the direction of robotization of digital operations and processes. The advent of artificial intelligence and machine learning technologies to optimize service delivery times for end customers will lead to new demand, but also lead time for new projects.

SirmaBC will continue to be focused on providing IT and consulting services and products, and the first half of the year, in addition to active actions to stabilize several ongoing projects, will focus on offering versions of the FlexCube banking system and opening all systems to solutions that give possibility of implementation of "Open banking" API based services with which the plans in the direction of "Open digital business" are realized.

Realized revenue for 2023 was with almost 30% better than 2022 and the company reported a 12% increase over the plan. Although revenue realization is in an improving gradation, there is still uncertainty and delay in generating "new" projects and income. There is a positive trend in catching up with the plans for the implementation and realization of the company's current projects and unfulfilled joint commitments with customers for delivery, and at the end of 2023, 90% of the advanced projects have been handed over and successfully completed.

Regional and international factors, influencing the business of the company

Macro environment

The development of the financial market in Bulgaria at the end of 2023 and for 2024 continues to be influenced by numerous factors, both internal and external to the country. Among them are the economic stagnation in Europe, political instability in the region and the country, energy security and unclear deadlines for the country's accession to the Eurozone. Despite the EC's optimism about the results and GDP growth in the country, Bulgaria is hesitating and foresees a reduction to levels of 1.8% for 2024. The main problems are the increased inflation and the reduction in the consumption and production of electricity, as well as the export of electricity.

Military actions on the territory of Ukraine and the accompanying trade war affect the prices of energy resources, metals and commodities.

An increase in interest rates and a devaluation of any of the major currencies creates additional uncertainty in the financial market and opens many questions for companies that provide services and in addition to market risks, interest rate and currency risk will have to be managed.

In the country, appetites, intentions and real actions to consolidate the banking and financial market continue, which conditions on the one hand the competition between the many relatively small players and on the other hand provokes an active dialogue for the consolidation of the companies in the market.

The last elected regular government in Bulgaria quickly resumed actions to join the Eurozone (but unfortunately the fulfillment of convergence criteria is unclear). Despite the adopted changes in the legislation, there is a lack of clear communication about the dates of the replacement of the main currency in the country. In conclusion, the financial market in Bulgaria continues to be challenging and requires adaptation and reforms, which slows down investments in innovation and new projects. The main reserves and budgets have been set aside for adaptation to the euro, which has not been confirmed with implementation deadlines.

The trend continues to expand the business volume of companies and support centers with investments and employers from the USA, Canada, Germany and England, which significantly raise the average salary in the industry and additionally pump resources into projects that are focused in other markets.

Industrial vertical

The development of the IT business in Bulgaria until the end of 2023 is connected with a number of challenges and opportunities. On the one hand, the sector needs a skilled workforce, modern infrastructure and an appropriate regulatory environment, which continues to lag behind. The lack of reforms is directly dependent on the lack of a regular government, which, in addition to making the environment unstable, leads to a loss of focus and a lack of fresh foreign investment. On the other hand, the IT business can take advantage of various funding programs, such as European funds, but this too will be inert in the absence of political trust and stability. The delay of the negative effects in the European economy and the ongoing military conflict will be a prerequisite for increasing inflation and reducing projects. The IT sector will continue to grow until the end of 2023, albeit at a slower pace, and although it will reach a turnover of over BGN 10 billion by the end of the year, it will face a huge challenge of an impending recession.

The lack of stable government management, global conflicts, inflation puts pressure on all companies in the IT industry. One part of which is directly affected and dependent on government contracts and projects and another part, because of the tension of the public climate and uncertainty about the tax and fiscal policy of a future regular government. The problems with this defocusing of working resources are invisible at the national level, but they significantly exhaust the mainly nationally oriented players, in which category SirmaBC also falls.

In the long term, we will have to completely change the final price for customers or seek to enter foreign markets by providing services on an isleme basis or renting out resources.

New clients, projects, products and services in 2023:**- Clients**

All the company's clients show and declare that they are partially or strongly affected by the uncertain financial framework, inflationary processes, military activities and the shortage of energy resources, as well as the late or lack of financial measures to overcome them. In practice, there are very few new projects and new revenues for the company. The only sources of fresh and new revenue are resources that are submitted for expert work on client projects on a time worked basis.

- Projects

At the end of 2023 and for the first quarter of 2024, the company successfully completed a project to implement FlexCube 14. As well as numerous assignments for changes and adaptation of systems related to the transition to the euro.

The implementation of started projects continues, including the two parallel implementations of major banking systems and several projects for the implementation of payment and other satellite solutions, which cover: "RepXpress", "ceGate" and "UBX Suite", DIGI Bank.

- Products

Sirma Business Consulting introduced a regular procedure for monthly reporting of expenses that lead to an increase in the value of the company's own products. The company has a clear plan and estimate to develop and increase the value of the products in 2023. The company is actively trying to advertise and distribute the first versions of:

- Open banking API hub, which implements the BISTRA standard for all services within the scope of PSD2
- Up2Pay – A wallet for generating one-time passwords and codes, which also serves as an advanced electronic signature and provides SCA. In terms of the Payments Regulation.
- RepXpress – regulatory reporting system and own DHW.
- ceGate – a system for collecting customer data and evaluating customers.

- Services

The company positions a package of consulting services for analysis and documentation regarding the selection of digital solutions. The methodology used is based on Assist Knowledge Development and the British Business Analysis Association.

- Events

All important events for the company are related to participation in specialized forums and exhibitions at which it attends and presents its improved solutions.

The company actively participates in the regular events of BASSCOM, BFA (Bulgarian Fintech Association), as well as new initiatives organized by AMCHAM Bulgaria and BFA and various working groups in line with European and national initiatives in the sector.

The company undergoes regular certification according to 3 ISO standards.

- Contracts

At the beginning of 2023, SirmaBC finalized the conclusion of several maintenance contracts and several new initiatives for the renewal of electronic channels at customers. There are signed contracts with two new clients for the company. We are actively working on the implementation of all planned changes within the framework of payment standards and the national plan for switching to the euro and using ISO 20022.

Perspectives and forecasts for 2024

SirmaBC has developed a business program and a financial development plan with an expected growth of 15% and reaching revenues of 7.5 million. BGN, 750 thousand BGN EBITDA, with an actual working staff of 75 people.

Despite some positive signals of improvement in the economic climate and easing of strict trade and social restrictive measures, the stagnation and inertia of financial players does not suggest a quick recovery and revival of the market from the levels of 2018-2019. This will require more efforts in finding fresh projects and solutions without focus in a certain area, despite the clear preferences of Sirma BC to develop and work on data analysis projects and complete solutions for banking and transactional business.

The uncertain environment and redirection of part of the resources in the company to work for rent will slow down the development of the company's own products. Only the vision of reducing risks and guaranteeing the set levels of income is an argument in maintaining a team of experts to work in shared projects with clients.

In the planned new revenues for the company, the share of revenues is increasing, which are related to adaptation and changes in customer systems, which will have to respond to the legal changes for Bulgaria's accession to the Eurozone.

Retention of all employees and customers will be key to the successful implementation of all the company's plans, which must go with a clear policy and communication for increasing the prices of the provided solutions and services for all directions in the company's portfolio.

FINANCIAL RESULTS

	31.12.2023	31.12.2022	Change BGN '000	Change %
Revenues	6 225	4 828	1 397	28,94%
EBITDA	596	77	519	674,03%
Depreciation	(411)	(291)	(120)	41,24%
Net Result	161	(197)	358	n/a
EBITDA margin	9,57%	1,59%	7,98%	500,32%
Net Profit margin	2,59%	(4,08%)	6,67%	n/a
Sales per share	2,4508	1,9008	0,55	28,94%
EPS	0,0634	(0,0776)	0,14	n/a
ROE	0,0568	(0,0736)	0,13	n/a
Total Assets	4 746	4 577	169	3,69%
Intangibles	987	1 211	(224)	(18,50%)
Book value	1 850	1 465	385	26,28%
Equity	2 837	2 676	161	6,02%
Total Liabilities	1 909	1 901	8	0,42%
Interest bearing	40	105	(65)	(61,90%)
D/E	0,0141	0,0392	(0,025)	(64,07%)
ROA	0,0381	(0,0474)	0,0855	n/a

SIRMA GROUP INC.**Business development in 2023**

Sirma USA continued to develop our business in Healthcare and Automotive retail sales. We have made tremendous progress in applying artificial intelligence and generative large language models technology to practical applications in Medical Information Systems. In an industry first, we developed the ability to describe workflows using plain-spoken language and automatically generate and configure ready-to-

execute mini-apps inside Healthcare applications built on top of our BoCore platform. The systems powered by our real-time Analytics engine also continued to gain ground with automotive dealers, and we were highly recognized by leaders in the field and the annual Digital Dealer conference. Also, this quarter we recruited a Director of Digital Marketing with management experience in both international retail banking and US Healthcare marketing.

FINANCIAL RESULTS

	31.12.2023	31.12.2022	Change	Change %
Revenues	6 779	8 284	(1 505)	(18,17%)
EBITDA	(316)	1 086	(1 402)	n/a
Depreciation	(4)	(6)	2	(33,33%)
Net Result	(330)	1 071	(1 401)	n/a
EBITDA margin	(4,66%)	13,11%	(17,77%)	n/a
Net Profit margin	(4,87%)	12,93%	(17,80%)	n/a
Sales per share	0,3142	0,3839	(0,07)	(18,17%)
EPS	(0,0153)	0,0496	(0,06)	n/a
ROE	(0,0391)	0,1180	(0,16)	n/a
Total Assets	10 475	10 632	(157)	(1,48%)
Intangibles	1 675	1 735	(60)	(3,46%)
Book value	6 766	7 344	(578)	(7,87%)
Equity	8 441	9 079	(638)	(7,03%)
Total Liabilities	2 034	1 553	481	30,97%
Interest bearing	36	9	27	300,00%
D/E	0,0043	0,0010	0,0033	330,23%
ROA	(0,0315)	0,1007	(0,132)	n/a

SIRMA ICS

- <http://sirmaics.com/>
- **Sirma ICS is a subsidiary of Sirma Solutions**
- **Capital:** BGN 300 000 divided into 300 000 number of registered nominal shares with a nominal value of 1 BGN per 1 share with voting right, dividend and liquidation share. Sirma Solutions owns 279 000 number of shares or 93% of the capital.

Sirma ICS is part of Sirma Group, with the main goal to concentrate the technological and business knowledge of Sirma Group's in the insurance sphere.

Conditions for Business Development in 2023

The company operates in the Insurance sector with target customers insurance brokers and insurance companies. Both segments saw a decline in revenue. The reason for this is the economic situation in 2023, respectively, the decreasing revenue from non-compulsory insurance, which in turn causes a contraction in the costs of software and services. However, the company was able to sign contracts with insurance brokers and insurance companies for product development and sales, realized growth and profit.

The company offers a product covering all of the processes in the structure of an insurance broker - Sirma Insurance Enterprise Platform. There is also a developed opportunity for clients to integrate through the Sirma Insurance Enterprise MTPL API and to integrate the policy issuing a policy payment in any system and application. Regarding the

online presence of brokers, we offer Sirma Insurance Enterprise Web Calculator. With this product, end visitors to websites can calculate their price and place an order. The company also creates individual solutions and developments on assignment such as websites, web portals for end customers, administrative portals and mobile applications.

Business Development in 2023 and investment plan

In 2023 Sirma ICS continued with the execution of its strategic objectives:

- Increasing the product range of the software for insurance brokers and optimizing the product and its functionalities
- Attraction of new insurance broker-clients and upgrading the services.
- The company continues to rely on a stable and sustainable model of selling products with a monthly license fee.
- Some large one-off deals were concluded.
- Major customization and development projects were implemented and initiated that are paid for by

customers and then available to other customers for a monthly license.

New:

- Projects

Improvements in the main SIRMA INSURANCE ENTERPRISE platform to allow even more monthly and one-time income, increasing functionalities.

General refinements to the "Life Insurance" theme in the platform are also planned, as well as the display of "customer profile" information, which will be available to end customers through a broker application that we will develop or through a broker website.

- Events

The whole of 2023 passed under the sign of an aggravated economic situation, which caused smaller brokers to either cease or try to reduce the amount paid for a license. A part of them terminated the contract with Sirma and concluded one with a competing company of former employees of Sirma, which attracted them with dumping prices. With maximum efforts, we have retained the vast majority of our customers and attracted new ones in order to maintain the revenue from monthly license fees.

Another competing company, an insurance broker, is being implemented on the market, which offers an online whitelabel solution for online conclusion of Civil Liability and other insurances. They can also offer solutions at reduced prices, given the large capital (4 million euros and expected another 4 million euros in 2024) that they have from investments. The solution they offer is unprofitable in the long term and the company is systematically operating at an increasing loss.

Perspectives and forecasts for 2024

Continuation of the trend to reduce the number and consolidation of insurance brokers, as well as the unification of brokers in associations with the aim of more favorable conditions for the use of external services, including software.

Negative expectations of shrinking of the entire insurance software market and specifically of software for insurance brokers, as well as from intensified competition selling software at dumping prices and with great investment opportunities.

FINANCIAL RESULTS

	31.12.2023	31.12.2022	Change	Change %
Revenues	1 057	952	105	11,03%
EBITDA	203	175	28	16,00%
Depreciation	(96)	(93)	(3)	3,23%
Net Result	94	69	25	36,23%
EBITDA margin	19,21%	18,38%	0,82%	4,48%
Net Profit margin	8,89%	7,25%	1,65%	22,70%
Sales per share	3,5233	3,1733	0,35	11,03%
EPS	0,3133	0,2300	0,08	36,23%
ROE	0,0962	0,0781	0,02	23,12%
Total Assets	1 220	1 205	15	1,24%
Intangibles	866	915	(49)	(5,36%)
Book value	111	(32)	143	n/a
Equity	977	883	94	10,65%
Total Liabilities	243	322	(79)	(24,53%)
Interest bearing	83	111	(28)	(25,23%)
D/E	0,0850	0,1257	(0,041)	(32,42%)
ROA	0,0770	0,0573	0,020	34,56%

S&G TECHNOLOGY SERVICES

- <http://www.sngservices.co.uk/>
- **S & G Technology Services operates in the Financial Segment**

S & G Technology Services is a joint venture of Sirma Solutions, which operates in the United Kingdom. The company provides technology services in the areas of software integration, data integration and mobile technologies for the financial service sector.

S & G Technology Services has accumulated tremendous expertise on the banking industry and the development of technology solutions for some of the world's largest banks.

This enables the company to better understand the challenges faced by customers, identify the areas in which it can provide innovative solutions and integrate seamlessly into its specific solutions within a broader delivery program. S & G Technology Services specializes in providing IT consulting services, software products and services to the software ecosystem of one of the most popular banking systems - the Temenos T24.

SIRMA CI

- **Sirma CI** is a subsidiary of Sirma Group Holding
- **Capital:** BGN 133 000. **Sirma Group Holding JSC** owns 80% of the capital.

Conditions for Business Development in 2023

Almost all leading institutions forecast an expected acceleration in economic growth in 2024, with most expecting further acceleration in 2025. The arithmetic mean forecast for 2024 is 2.6%, with an acceleration to 3% forecast in 2025. The Vienna Institute WIIW is with the most pessimistic forecast predicting growth of 1.5% in 2024, but even they expect a big acceleration in 2025 to 2.5%. The most positive are the expectations of S&P, the Ministry of Finance and the IMF,

betting on economic growth above 3% for 2024. For 2025, the most optimistic is the forecast of the BNB, which is 3.6%.

It should be noted that in 2023 economic growth exceeded the forecasts of all institutions. Economic growth for the first three quarters of 2023 was around 2%, compared with the arithmetic mean forecast a year ago of 1.2%, even with the most optimistic forecast of 1.7%. The most pessimistic forecast was by the BNB, expecting only 0.1% economic growth for 2023, but this pessimism was refuted by the real data on the

Bulgarian economy. Interestingly, institutions that were pessimistic last year are now among the bullies, including the IMF and S&P.

Compared to the second quarter, unemployment was 4.4% for 2023, and according to the employment agency, 2023 will end at 5.6%, i.e. an increase is noticeable.

Forecasts also point to personnel optimizations in the IT sector to continue - they are provoked due to the discipline of resources, an increase in financial results, the introduction of AI, etc. By the fall of 2024, this trend is expected to be contained, i.e. stabilizes.

We continue the adaptation of the business in the direction of income diversification from additional IT activities.

We continue the adaptation to the new rules (digital transformation), for which we believe we are prepared and will take adequate measures based on short-term and long-term goals.

Despite the stagnation on a global scale, Sirma CI will continue its development with the aim of positive balance and diversification in the sector and revenues.

For 2024, our focus remains on the trends defined by Gartner and internal analysis against market demand and our customers.

We also maintain a focus on the need to deliver services from our expertise and work collaboratively with partners to develop and integrate our products, leading to diversification and revenue growth.

According to Gartner the top 3 services for Digital Retail, which are at their peak of demand for them:

- Software solutions for user engagement
- Conversational commerce, i.e. technological solutions that recognize speech, speech, language processing via AI. These are applied in chatbots
- Algorithmic sales, i.e. AI-based software solutions

According to Gartner the top 3 services of Digital Retail, which will be in demand in the next 2-5 years:

- Unified Commerce Ecosystem
- Real-Time Pricing
- eCommerce software (web and mobile apps)

Of the top 3 services that Gartner defines at their peak, we offer two. The other products and expertise that we have and are described in the Technology stack are very up to date. We have started a heavy adaptation of a software product that we are developing in partnership for Real-Time Customer Engagement. The goal is to start in Bulgaria, as the next steps we have also targeted Europe. The product will be offered as a SaaS and Enterprise solution. We are already testing it with real customers and the results are very good.

We are actively continuing our activities regarding partner relationships with European companies, considering in the second half of 2024 to also launch activities in Northern Europe with the new product (Real-Time Customer Engagement), keeping our focus on current markets and customers.

We have provided a marketing budget for PR materials to advertise our new concept in the "retail" vertical.

Completely focused on the trends of Unified Commerce and Real-Time Customer Engagement, which will bring together our implementation solutions for large merchants, but now also for smaller merchants: e-store, loyalty program, mobile applications, chatbots and the provision of a system (Real-Time Customer Engagement) to analyze users in real time and take care of them: generate sales and better service.

The new product is designed to increase the Conversion Rate for sellers of products and services.

Technology stack and Microservices - Sirma Customer Intelligence expertise and products:

- Consultations for digital transformation and innovation
- Business analysis and planning
- Individual web and mobile design (responsive)
- Personalized e-commerce (back-end and front-end development)
- Integration of loyalty program (back-end and front-end development)
- ERP integration / optimization
- Implementation of logistics integrations / optimizations
- Integrations for online payments
- Billing integrations
- Mobile applications - native Android and iOS
- CIM customer intelligence and monetization - a system for analyzing consumer behavior.
- Chatbots - based on Melinda

The war in Ukraine and Israel are a significant factor that makes us accelerate our development in markets outside Bulgaria in order to diversify.

Retaining a regular government, thus leading to stability, restarting infrastructure and economic stimulus to restore the economy.

New contracts during 2023:

- The contracts we signed in 2023 are already being implemented. They are long-term and include maintenance and development.
- Our current customers continue to be active with orders for new features to their current solutions, in order to sell more to end customers.

Perspectives and forecasts for 2024

We expect to attract several new clients, currently negotiating with them, as well as to develop our current partnerships with additional features, integrations and expert advice.

In 2024 positive business development is expected to continue as large companies continue to digitize their processes, which maintains interest in online sales. We are increasingly emphasizing the implementation of AI technologies in our solutions. It is noticeable how the automations achieved with artificial intelligence are no longer exotic, and customers are looking for and using them more and more.

FINANCIAL RESULTS

	31.12.2023	31.12.2022	Change	Change %
Revenues	855	1 443	(588)	(40,75%)
EBITDA	30	149	(119)	(79,87%)
Depreciation	(13)	(1)	(12)	1 200%
Net Result	14	132	(118)	(89,39%)
EBITDA margin	3,51%	10,33%	(6,82%)	(66,02%)
Net Profit margin	1,64%	9,15%	(7,51%)	(82,10%)
Sales per share	2,8500	4,8100	(1,96)	(40,75%)
EPS	0,0467	0,4400	(0,39)	(89,39%)
ROE	0,0854	0,8800	(0,79)	(90,30%)
Total Assets	433	432	1	0,23%
Intangibles	30	30	-	-
Book value	134	120	14	11,67%
Equity	164	150	14	9,33%
Total Liabilities	269	282	(13)	(4,61%)
Interest bearing	61	-	61	n/a
D/E	0,3720	-	0,3720	n/a
ROA	0,0323	0,3056	(0,27)	(89,42%)

SIRMA MEDICAL SYSTEMS

- **Sirma Medical Systems** is a subsidiary of Sirma Group Holding
- **Capital:** BGN 100 000. **Sirma Group Holding** owns 66% of the capital.

Conditions for business development in 2023

In 2023, the trend towards digitization of healthcare accelerated and further development of both technologies and regulations in the market for digital healthcare services. Most developed countries in the world already have precise regulatory frameworks and national development programs in the field of digital healthcare. The concept of personalized medicine, where the patient takes an active part in the care of his health, continued to be established and developed. Software solutions for remote patient monitoring and remote examinations are now accepted as normal practice, especially in areas with insufficient local coverage by the healthcare system.

In this dynamic environment, the two main products of Sirma Medical Systems are well positioned in the market and have the capacity for medium and long-term development through precise targeting of marketing efforts. The target markets in

which the company will seek implementation in 2023 have been defined. For Diabetes:M, activities in the United Kingdom and Bulgaria are a priority. For Medrec:M, implementation efforts in Bulgaria are a priority, with an additional focus on the United Kingdom.

Sirma Medical Systems continues to develop its products in its two main directions – for self-monitoring and remote monitoring of diabetic condition and telemedicine.

This company participated in one of the largest healthcare technology events in Great Britain - the HETT Show, which took place on September 26-27 in London. The event was attended by over 4 500 healthcare professionals, and Sirma Medical Systems introduced the Diabetes:M diabetes and Medrec:M digital health platforms. During the event, more than 50 meetings with potential partners and customers were held.

Sirma Medical Systems also participated in a joint trade mission of DHI Cluster and the British-Bulgarian Business Association (BBBA) to participate in one of the largest health

care events in England - GIANT Health, which took place on December 4-5 in London.

The implementation of videos with health tips and webinars with the participation of prominent medical specialists from various fields continues, as well as the publication of informative articles in the product blogs. The practice of sending a monthly newsletter with useful information to app users and Medrec:M webinar audiences also continues.

Partnerships with popular Bulgarian media for publishing materials are also being developed.

The development of a new version of the MPI-2 application for stutterers, developed in partnership with professors from the University of California, Santa Barbara, USA, have been completed. The new version will allow users to use the app for self-healing, independently, without the intervention of a supervising professional.

The inclusion in the Medrec:M platform and the offering of digital health services of Dr. Tihomir Mustakov's Allergology Clinic and Maria Nikodimova's Functional Medicine Center were finalized.

Negotiations have been launched with the healthcare platform CredoWeb for a tripartite partnership between Sirma Medical Systems, CredoWeb and Aptechko, with the aim of promoting and attracting new medical specialists to the company's platforms. Negotiations have also started with a consulting agency specialized in the field of medical and pharmaceutical services in order to better position the products on the market and increase the benefits for doctors and medical specialists when using the platform.

Perspectives and forecasts for 2024

An increase in revenue is expected on an annual basis compared to 2023. There is an increased investment interest in all of the company's products. Sirma Medical Systems is working for its successful positioning and increase in sales of its products, in which it has invested in recent years.

In 2024, the main goal of business development and marketing activities will be to increase and maintain the customer base of the two mobile applications Diabetes:M and Medrec:M, as well as to attract new customers for the medical platforms Diabetes:M Monitor and Medrec:M Clinic on the company's strategic markets.

Additional efforts will be focused on marketing the self-treatment version of the MPI-2 stuttering program, as well as implementing the initial marketing and advertising campaigns for this product.

A mobile application for Medrec:M Clinic is about to be launched, through which health professionals will access the information from the platform via mobile devices.

It is planned to develop the current partnerships with various commercial and non-governmental organizations, as well as media from the country and abroad.

A new initiative has also been launched to periodically send a newsletter with the latest changes in the Medrec:M Clinic platform to current and potential clients, with the aim of familiarizing them with the new functionalities. In addition, virtual meetings with current customers are planned at the end of each quarter, in order to present and provide detailed training on working with the innovations added during the period

It will also seek key partnerships with leading healthcare organizations and manufacturers of connected IoT devices, as well as support and referrals from medical professionals.

Sirma Medical Systems is expected to be ISO 27001 certified.

By the end of the year, it is expected to complete the certification procedure of the bolus calculator on the Diabetes:M platform as a class 2 medical device.

It is expected that by the end of the year, a clinical study of the Diabetes:M platform will be conducted regarding the medical effect and improving the quality of life of patients through the application.

FINANCIAL RESULTS

	31.12.2023	31.12.2022	Change	Change %
Revenues	259	443	(184)	(41,53%)
EBITDA	(215)	94	(309)	(328,72%)
Depreciation	(38)	(44)	6	(13,64%)
Net Result	(293)	5	(298)	n/a
EBITDA margin	(85,71%)	17,83%	(103,55%)	n/a
Net Profit margin	(113,13%)	1,13%	(114,26%)	n/a
Sales per share	0,8633	1,4767	(0,61)	(41,53%)
EPS	(0,9767)	0,0167	(0,99)	n/a
ROE	1,4577	0,0543	1,40	2 582,19%
Total Assets	1 332	1 513	(181)	(11,96%)
Intangibles	1 250	1 284	(34)	(2,65%)
Book value	(1 451)	(1 192)	(259)	21,73%
Equity	(201)	92	(293)	n/a
Total Liabilities	1 533	1 421	112	7,88%
Interest bearing	251	250	1	0,40%
D/E	(1,25)	2,72	(3,97)	n/a
ROA	(0,2200)	0,0033	(0,2233)	n/a

SCIANT

- **Sciانت is a subsidiary of Sirma Group Holding JSC**
- **Capital: BGN 257 000. Sirma Group Holding owns 100% of the capital.**

Sciانت has been part of Sirma Group since November 2021, with the main goal to concentrate in itself the technological and business knowledge of Sirma Group, related to the development and export of software products and services specialized in the following industries: Hospitality, Logistics and Transport, Finance and Banking.

Conditions for business development in 2023

The company provides software services in the following industries: Hospitality, Logistics and Transport, Finance and Banking. In 2023 there was an increase in customers from the Hospitality and Logistics verticals. The third vertical Finance and Banking has also developed in the global market.

Sciانت works with clients from the United States, Singapore, Australia, China and the European Union.

The company provides software services to customers in the industries in which it specializes. The services have added value with the fact that the company's software engineers also have knowledge of the respective industry. Combined with the presence of consultants and business analysts, this leads to attracting customers from a higher segment of the market. The rights to the developed software are owned entirely by the Company's customers.

Sciانت also provides services for maintenance of integration adapters through a developed system for semi-automated maintenance. The support is with monthly subscription contracts.

Although rearer, the company also works with Bulgarian companies. For them performs consultations on integrations to third-party systems, project management.

Regional and international factors affecting the company's business

The company is export oriented and has no business in Bulgaria. The regional factor that influences is the labor market.

The main international factor is the war in Ukraine. There is no influence of this factor on the company's business. Customers from Hospitality, Logistics and Transport, Finance and Banking continue to increase their orders. The company manages to add new customers and new projects.

In 2023 Sciانت continued to fulfill its strategic goals:

- Attracting new customers in Western Europe, North America and Bulgaria from the existing verticals have been attracted: Hospitality, Logistics and Transport, Finance and Banking.
- The Company continues to rely on a stable and sustainable model of selling software development services and integration adapter support services. New integrations are being built to systems and products of external companies established in the respective industries.
- The construction of our own system for the support of integration adapters - Managed Integration Services (MIS) continues. The contracts are for a monthly subscription, with the growth of revenues on a monthly basis averaging 10%, and the number

of hotels served to customers reached 1 370 at the end of year.

- During 2023 Sciant's sales team visited the Hotel & Hospitality Expo in Saudi Arabia and WTM in London, which generated significant interest and new opportunities for the company.
- The number of personnel is also growing, as at the end of the third quarter the company has nearly 160 employees in Bulgaria and Albania. There is some movement in the labor market, but the rate of new hires is still lower than the rate of sales.
- The office in Tirana, Albania has been expanded, which should also increase the number of staff, which currently numbers 28 employees.

Important events:

The company is developing according to the plan

A new office has been opened in Varna, which will expand recruitment activities and should increase the number of staff.

Solved and unresolved issues in the realization of the business plan for 2023

The company exceeded the plan for 2023. The main factor for the increase in business is the good positioning of the company in the three verticals and the vibrancy in the global economy. The main limiting factor for growth at the moment is the situation on the labor market. The company manages to hire and train new employees more successfully than competing companies, but nevertheless the speed of hiring new employees is lower than the speed of sales.

Perspectives and forecasts for 2024

Due to the slowing economy and shrinking budgets, the company plans to increase the number of employees more conservatively and cautiously.

It is planned to participate in the ITB exhibition in Berlin in March, which should bring new commercial opportunities and partnerships for the hotel practice.

Two conferences in Paris and Stuttgart are planned to generate new business opportunities for the logistics practice.

We are working on developing partnerships in the Middle East.

FINANCIAL RESULTS

	31.12.2023	31.12.2022	Change BGN '000	Change %
Revenues	15 490	13 788	1 702	12,34%
EBITDA	1 286	2 137	(851)	(39,82%)
Depreciation	(394)	(341)	(53)	15,54%
Net Result	797	1 614	(817)	(50,62%)
EBITDA margin	8,30%	15,50%	(7,20%)	(46,43%)
Net Profit margin	5,15%	11,71%	(6,56%)	(56,05%)
Sales per share	0,4379	0,3898	0,05	12,34%
EPS	0,0225	0,0456	(0,023)	(50,62%)
ROE	0,5407	0,7073	(0,167)	(23,55%)
Total Assets	4 645	4 268	377	8,83%
Equity	1 474	2 282	(808)	(35,41%)
Total Liabilities	3 171	1 986	1 185	59,67%
Interest bearing	648	533	115	21,58%
D/E	0,4396	0,2336	0,2061	88,22%
ROA	0,1716	0,3782	(0,2066)	(54,63%)

SAI

"SAI" EAD is a subsidiary of "Sirma Group Holding" JSC since 2008, with the main goal of concentrating within itself the knowledge and expertise of "Sirma Group Holding" JSC, in the field of artificial intelligence and in the last year, its application in the field of cyber security. The company's activity is oriented towards specialization in the field of corporate cyber security and application of artificial intelligence to achieve the main goals of the same.

The company aims to modernize the cyber-security system of the group of companies owned and/or under the control of "Sirma Group Holding" JSC, as well as to attract external customers in need of a comprehensive solution in the same area.

Conditions for Business Development in 2023

"SAI" EAD provides complete "holistic" services in the field of cyber security, company security, auditing according to modern cyber security standards and drafting of policies and procedures in this area.

The transition, during the Covid pandemic, to a remote form of work, maintains its trend in 2023 as well, and together with the increasing spread of IoT in every sphere of business, contributes like never before to raising the requirements for cyber security at completely different levels of functioning and effectiveness. This also determines the main, key trends of the industry in 2023.

- A. Dominant role of the remote form of work;
- B. Directing internationally-oriented and state-funded attacks against businesses and other governments;
- C. Building a cyber-security oriented business culture;
- D. An increasingly important role of artificial intelligence (AI) in the field of cyber security;

The company plans to provide a full package of services in the field of company and cyber security, by providing the following services:

A. "SOC" and "Response" team

The evolution of cyber threats and attacks in recent years has led to uncertainty in cyber ecosystems. Vital to meeting these challenges is building advanced Cyber Security Operations Centers (SOCs) providing an operational risk management framework within organizations to manage, monitor and respond to cyber security threats.

B. "CISO as a Service"

A key challenge facing the sector is the global shortage of skilled cybersecurity workers and the expertise available to help protect data at risk.

C. "Penetration Testing"

Growing demand for security solutions for software-based web and mobile applications is expected to boost the growth of the global security testing market. Additionally, the growing use of cloud-based cybersecurity services is expected to drive demand for vulnerability and security testing services. Moreover, with the increasing digitization in developing countries, it is expected to boost the trend of IoT-based connected devices. This, in turn, reinforces the need for vulnerability and security testing.

D. Audit, risk assessment and subsequent implementation of cyber security procedures

The dynamic international situation and economic trends, in 2022 and 2023, show the ever-increasing need for comprehensive services in the field of cyber-security and will allow the company, after building the modern SOC center planned for the first quarter, to add new clients to its portfolio of services.

In 2023, "SAI" AD ("Ontotext" AD) realized its strategic goals, namely:

- A. Building a modern and up-to-date SOC
- B. Hiring and training of qualified personnel who meet the requirements of the activity
- C. Modernization of the cyber-security system of the group of companies owned and/or under the control of "Sirma Group Holding" JSC
- D. Attracting new, international clients in need of developing and implementing comprehensive solutions in the field of cyber security.

Overview of the Activity During 2023

In 2023, the company implemented the following important activities for the realization of its strategic goals:

2.1 Confirmation of the activity of the already built, modern and compliant operational center for cyber security "SOC" and raising the qualifications of the existing staff, through participation in specialized courses and professional qualifications.

2.2 Developing the established company marketing strategy and brand image, through participation in international exhibitions and forums for cyber security. Participation of the Director of Business Development in ENISE Spain and the HEET conference in London.

2.3 Development of procedures and practices for cyber security at HR management level, for "Sirma Group Holding" JSC and the companies of the Group.

2.4 Hiring a sales consultant for the Turkey region

2.5 Implementation of a cyber security training program for Sirma Group Holding employees, including preparation and distribution of educational materials and training leaflets on internet fraud and cyber security practices.

2.6 Operation of the "Sirma Cyber Security Management Platform"

2.7 Renting an office and starting the Israeli company's activity in the field of cyber security by signing the first SOC As A Service contracts.

Expectations for business development in 2024

In 2024, development of the already structured, through the Bulgarian and Israeli subsidiary, business in the field of comprehensive services in the field of cyber security is expected:

3.1 Main target markets - Israel, Middle East, Romania, Greece, Bulgaria, Scandinavian countries.

3.2 Participation in at least three leading events in the field of cyber security, hospitality and logistics.

3.3 Development of a strategy for entering the market in the USA, through the subsidiaries of "Sirma Group Holding" JSC, companies.

3.4 Improving the processes of using the "Sirma Cyber Security Management Platform", by implementing artificial intelligence (AI).

3.5 Hiring and training highly qualified sales experts to operate the strategically planned markets.

3.6 Conducting Penetration Tests and simulated attacks in the system of "Sirma Group Holding" JSC.

SIRMA GROUP HOLDING – INDIVIDUAL FINANCIAL RESULTS

	31.12.2023	31.12.2022	Change	Change %
Revenues*	5 228	13 704	(8 476)	(61,85%)
EBITDA	2 236	2 242	(6)	(0,27%)
Depreciation	(617)	(602)	(15)	2,49%
Net Result	1 509	2 131	(622)	(29,19%)
EBITDA margin	42,77%	16,36%	26,41%	161,43%
Net Profit margin	28,86%	15,55%	13,31%	85,62%
Sales per share	0,0881	0,2309	(0,14)	(61,85%)
EPS	0,0254	0,0359	(0,01)	(29,19%)
ROE	0,0204	0,0287	(0,0083)	(29,02%)
Total Assets	90 077	89 495	582	0,65%
Intangibles	4 225	6 556	(2 331)	(35,56%)
Book value	68 789	69 026	(237)	(0,34%)
Equity	73 029	75 582	(2 553)	(3,38%)
Total Liabilities	17 048	13 913	3 135	22,53%
Interest bearing	245	9 052	(8 807)	(97,29%)
D/E	0,0034	0,1198	(0,116)	(97,20%)
ROA	0,0168	0,0238	(0,007)	(29,65%)

* according to the FSC's instructions, the dividend income is included in the income from the main activity of "Sirma Group Holding" JSC

7 RESULTS BY SEGMENTS

The group defined operation in several segments:

Segment INTELLIGENT EVOLUTION OF ENTERPRISES

Companies of Sirma Group operating in the segment are: EngView Systems, Sirma AI, Sirma Solutions, Sirma Medical Systems, Datium, Sirma CI, Sirma Group Inc., Sciant, SAI, Sciant Shpk.(ReSolutions), Sirma AB and Saifort.

FINANCIAL RESULTS OF THE SEGMENT

	2023 BGN'000	2022 BGN'000
Revenue from:		
- external customers	38 371	43 855
Segment revenues	38 371	43 855
Cost of materials	(1 092)	(1 597)
Hired services expenses	(9 828)	(9 594)
Employee benefits expense	(25 537)	(26 392)
Depreciation and amortisation of non-financial assets	(3 114)	(5 788)
Other expenses	(1 663)	(982)
Segment operating (loss)	(2 869)	(498)

In 2023 the revenues of the segment decreased by 12,50 % and the segment registered operating loss increased by 474,90% over 2022.

Segment SOLUTIONS, PRODUCTS AND CONSULTING IN FINANCE

Companies of Sirma Group operating in the segment are: Sirma Business Consulting, Sirma ICS, Sirma AI, Sirma Solutions, S&G Technologies, Sirma Group Inc., Sciant and Sirma InsurTech.

FINANCIAL RESULTS OF THE SEGMENT

	2023	2022
	BGN'000	BGN'000
Revenue from:		
- external customers	15 740	12 987
Segment revenues	15 740	12 987
Changes in finished goods and work in progress	-	(141)
Cost of materials	(50)	(434)
Hired services expenses	(1 033)	(789)
Employee benefits expense	(12 039)	(7 143)
Depreciation and amortisation of non-financial assets	(670)	(2 477)
Other expenses	(358)	(476)
Segment operating profit	1 590	1 527

In 2023 the revenues of the segment increased by 21,2% and operating profit increased by 4,13% compared to 2022.

Segment SYSTEM INTEGRATION

Companies of Sirma Group operating in the segment are: Sirma Solutions.

Financial results of the segment

	2023	2022
	BGN'000	BGN'000
Revenue from:		
- external customers	27 204	23 250
Segment revenues	27 204	23 250
Cost of materials	(23 660)	(19 893)
Hired services expenses	(1 353)	(1 630)
Employee benefits expense	(1 425)	(821)
Depreciation and amortisation of non-financial assets	(10)	(53)
Other expenses	(50)	(4)
Segment operating profit	707	849

In 2023 the revenues of the segment increased by 17,01%, and operating profit decreased by 16,84% compared to 2022.

8 MAIN MARKETS

Consolidated earnings of Sirma Group for the historical period under review are of different nature and geographic origin. Traditionally, revenues from services and goods have the highest share. At the same time, Europe, North America and the United Kingdom are at the forefront of geographic distribution of earnings. Revenues by region and countries are presented in the following table.

REVENUE BY REGIONS AND COUNTRIES:

Region	31.12.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Europe	55 647	50 501	5 146	10,19%
North America	13 418	16 801	(3 383)	(20,14%)
United Kingdom	10 585	10 221	364	3,56%
Asia	1 083	1 862	(779)	(41,84%)
South America	328	479	(151)	(31,52%)
Australia	164	199	(35)	(17,59%)
Africa	90	29	61	210,34%
Total	81 315	80 092	1 223	1,53%

The Group sell their products and services without geographical restrictions. However, traditionally the highest sales the Group generated in Europe and North America. Together with UK revenue, they traditionally account for 97,95% of total consolidated revenue. However, due to the exceptional diversification of its products and services, which are applied in many completely different sectors and customers, it is not possible to talk about any dependence of the Group on individual customers or on certain services.

In 2023, the Group sold in 60 countries. The largest share in the consolidated revenues belongs to the revenues from Bulgaria in the amount of BGN 44 711 thousand or 54,98% of the total sales revenues, followed by the USA with BGN 12 378 thousand or 15,22% and from the United Kingdom with BGN 10 585 thousand or 13,02%.

9 CONSOLIDATED FINANCIAL RESULTS

CONSOLIDATED REVENUES

Consolidated revenues of the Group includes:

	31.12.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Revenue from contracts with customers	80 528	78 358	2 170	2,77%
Gain on sale of non-current assets	19	10	9	90%
Other income	768	1 724	(956)	(55.45%)
Total	81 315*	80 092	1 223	1,53%

**Due to the sale of a controlling stake, the consolidated revenues during the reporting period do not include the revenues of "Sirma AI" AD, unlike the same period of 2022.*

Consolidated revenues increased with 1,53 % or BGN 1 223 thousand during 2023.

Consolidated revenue by product line includes:

	31.12.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Software services	36 593	38 790	(2 197)	(5,66%)
Sale of IT equipment	26 654	22 485	4 169	18,54%
Subscriptions	5 682	5 007	675	13,48%
Licenses	2 845	3 534	(689)	(19,50%)
Support	2 149	1 586	563	35,50%
Consulting services	2 096	2 460	(364)	(14,80%)
Cloud services	1 644	1 390	254	18,27%
System integration	417	463	(46)	(9,94%)
Others	2 448	2 643	(195)	(7,38%)
Total	80 528	78 358	2 170	2,77%

CONSOLIDATED EXPENSES

	31.12.2023	31.12.2022	Change
	BGN '000	BGN '000	(BGN '000,%)
Cost of materials	(1 565)	(1 841)	276
<i>Change in %</i>			(14,99%)
Hired services expenses	(12 221)	(12 049)	(172)
<i>Change in %</i>			1,43%
Employee benefits expense	(39 001)	(34 356)	(4 645)
<i>Change in %</i>			13,52%
Depreciation and impairment of non-financial assets	(3 794)	(8 318)	4 524
<i>Change in %</i>			(54,39%)
Cost of goods sold and other current assets	(23 237)	(20 083)	(3 154)
<i>Change in %</i>			15,70%
Changes in finished goods and work in progress	-	(141)	141
<i>Change in %</i>			(100%)
Other expenses	(2 071)	(1 462)	(609)
<i>Change in %</i>			41,66%
Total expenses	(81 889)	(78 250)	(3 639)
<i>Change in %</i>			4,65%

During 2023 consolidated operating expenses increased by BGN 3 639 thousand or by 4,65%. Employee benefits expense has the largest share in the consolidated operating expenses (47,63%), followed by the hired services expenses (14,92%).

CONSOLIDATED FINANCIAL INCOME / COSTS (NET)

	31.12.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Loss on investments accounted for using the equity method	-	(11 939)	(11 939)	(100%)
Financial costs	(946)	(1 846)	900	(48,75%)
Financial income	80	738	(658)	(89,16%)
Financial income / expenses (net)	(866)	(13 047)	12 181	(93,36%)

Consolidated financial costs decreased by BGN 900 thousand or by 48,75% in 2023, mainly due to the decrease of the expenses operations with financial assets.

Financial income decreased by BGN 658 thousand or by 89,16%, mainly due to the decrease in income from operations with financial assets.

CONSOLIDATED ASSETS

Consolidated assets marked an decrease of BGN 26 989 thousand or 22,03 % in 2023. Traditionally, the biggest share of these relate to goodwill and intangible assets.

NON-CURRENT ASSETS

	31.12.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Goodwill	26 252	26 252	-	-
Property, plant and equipment	10 181	9 881	300	3,04%
Intangible assets	20 387	20 706	(319)	(1,54%)
Investments in associates	-	18 502	(18 502)	(100%)
Long - term financial assets	-	336	(336)	(100%)
Long - term related party receivables	295	-	295	n/a
Deferred tax assets	1 469	1 278	191	14,95%
Total non-current assets	58 584	76 955	(18 371)	(23,87%)

Non-current assets decreased by BGN 18 373 thousand or by 23,87 % in 2023.

CURRENT ASSETS

	31.12.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Inventory	2 104	560	1 544	275,71%
Trade and other financial receivables	15 661	16 573	(912)	(5,50%)
Prepayments and other assets	1 059	6 705	(5 646)	(84,21%)
Short-term related party receivables	99	418	(319)	(76,32%)
Income tax receivables	27	-	27	n/a
Loans granted	-	150	(150)	(100%)
Financial assets at fair value through profit or loss	3 292	-	3 292	n/a
Cash	14 694	21 146	(6 452)	(30,51%)
Total current assets	36 936	45 552	(8 616)	(18,91%)

Current assets increased by BGN 11 487 thousand or by 32,72 % in 2022.

EQUITY

	31.12.2023	31.12.2022	Change
	BGN '000	BGN '000	(BGN '000,%)
Share Capital	59 361	59 361	-
<i>Change</i>			-
Purchased own shares	(1 799)	(85)	(1 714)
<i>Change</i>			2 016,47%
Reserves	8 957	7 043	1 914
<i>Change</i>			27,18%
Retained earnings	8 981	19 237	(10 256)
<i>Change</i>			(53,31%)
Equity attributable to the owners of the parent	75 500	85 556	(10 056)
<i>Change</i>			(11,75%)
Non-controlling interest	4 126	4 995	(869)
<i>Change</i>			(17,40%)
Total	79 626	90 551	(10 925)
<i>Change</i>			(12,07%)

Equity during 2023 decreased by BGN 10 925 thousand or by 12,07 %.

CONSOLIDATED LIABILITIES

Consolidated liabilities decreased by 16 062 BGN thousand or 50,26 % in 2023.

NON-CURRENT LIABILITIES

	31.12.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Pension obligations	596	400	196	49%
Long-term borrowings	-	7 707	(7 707)	(100%)
Long-term lease liabilities	1 283	1 287	(4)	(0,31%)
Long-term related party payables	328	-	328	n/a
Deferred tax liabilities	280	327	(47)	(14,37%)
Total non-current liabilities	2 487	9 721	(7 234)	(74,42%)

Non-current liabilities decreased by BGN 7 234 thousand or by 74,42% in 2023.

Long-term and short-term bank loans

Recipient of credit	In Bank	Type of loan	Currency	Total amount of credit (BGN)	Remaining obligation to 31.12.2023 (BGN)	Date of making the loan	Interest rate	The amount of monthly installment (BGN)	End date of the contract	Collateral
Loans in which the Issuer is a debtor										
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%		15.12.2025	Pledge of receivables

On 12.04.2023 "Sirma Group Holding" JSC made a full early repayment of three of its investment bank loans, including principal amounts of 4 356 154 (four million three hundred and fifty-six thousand one hundred and fifty-four) euros. As a result of the above, the company currently has no credit indebtedness under investment loans.

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 31.12.2023 (BGN)	Date of making the loan	Interest rate	End date of the contract	Collateral
Sirma Solutions	United Bulgarian Bank	Overdraft	BGN	4 025 000	-	12.12.2019	RIR + 1.2%, but no less that 1.3% per year	20.09.2024	Pledge of receivables, pledge of real estate
Sirma Solutions	United Bulgarian Bank	Revolving credit line	BGN	4 000 000	-	28.10.2020	RIR + 1.4%, but no less that 1.5% per year	20.09.2024	Pledge of 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%	15.12.2025	Pledge of receivables.
Sirma InsurTech	KBC Bank Bulgaria	Overdraft	BGN	290 000	290 000	25.7.2022	3.10%	24.08.2024	-
Sciant	United Bulgarian Bank	Overdraft	BGN	500 000	-	18.5.2020	The applicable variable interest rate for the relevant interest period +2 points, but not less than 2.08%	8.4.2025	Pledge of receivables
Sciant	United Bulgarian Bank	Overdraft	BGN	500 000	-	7.4.2022	The applicable variable interest rate for the relevant interest period +2 points, but not less than 2.08%	7.4.2025	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 +2 points, but not less than 2.08%	15.12.2024	Pledge of receivables
Sirma Medical Systems	United Bulgarian Bank	Bank revolving credit	BGN	250 000	250 000	15.12.2020	The applicable variable interest rate for the relevant interest period +2 points, but not less than 2.08%	14.12.2025	Pledge on 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 31.12.2023 (BGN '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
SAI	Sirma Medical Systems	204054855	Subsidiary	Loan	BGN	1 200	20.12.2022	2.80	31.12.2024	No pledges
SAI	Sirma Group Holding	200101236	Parent company	Deposit	BGN	1 300	18.07.2023	0.1	18.07.2025	No pledges
Sirma Group Holding	Sirma ICS	203940550	Company under common control	Loan	BGN	48	23.01.2017, 31.01.2021	1.3	31.12.2024	No pledges
Sirma Group Holding	Pirina Technologies	175149906	Company under common control	Loan	BGN	295	10.01.2022	2	31.12.2024	No pledges
Sirma Group Holding	Sirma InsurTech	205982173	Subsidiary	Loan	BGN	600	03.10.2022	1.3	31.12.2023	No pledges
Sirma Group Holding	SciAnt	203943638	Subsidiary	Loan	BGN	300	02.05.2023	3	02.05.2024	No pledges
Sirma Solutions	Sirma Group Holding	200101236	Parent company	Deposit	BGN	14 848	29.10.2020	0.1	31.12.2025	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
Sirma InsurTech	HRM Solutions	206096810	Subsidiary	Loan	BGN	270	14.07.2021	3.2	31.12.2025	No pledges
EngView Systems	EngView Systems GmbH		Subsidiary	Loan	EUR	94	05.12.2022	3	31.12.2025	No pledges
SciAnt	SciAnt Shpk.		Company under common control	Loan	EUR	84	25.7.2023	3	01.09.2025	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 31.12.2023 (BGN '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
Sirma Medical Systems	SAI	200356710	Company under common control	Loan	BGN	1 200	20.12.2022	2.80	31.12.2025	No pledges
Sirma Group Holding	Sirma Solutions	040529004	Subsidiary	Deposit	BGN	14 848	29.10.2020	0.1	31.12.2025	No pledges
Sciart	Sirma Group Holding	200101236	Parent company	Loan	BGN	300	02.05.2023	3	02.05.2024	No pledges
Sirma Group Inc	Worklogic Canada	Foreign company	Non related company	Loan	USD	85	31.07.2017	0,01	31.12.2024	No pledges
Sirma InsurTech	*Individual Y.M.		Related party	Loan	BGN	77	30.08.2022	2.9	31.12.2024	No pledges
Sirma InsurTech	Sirma Group Holding	200101236	Parent company	Loan	BGN	600	03.10.2022	1.3	31.12.2024	No pledges
Sirma Group Holding	SAI	200356710	Subsidiary	Deposit	BGN	1 300	18.07.2023	0.1	18.07.2025	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).

CURRENT LIABILITIES

	31.12.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Provisions	77	77	-	-
Employee obligations	5 066	3 973	1 093	27,51%
Short-term borrowings	578	5 251	(4 673)	(88,99%)
Short-term lease liabilities	589	590	(1)	(0,177%)
Trade and other payables	4 682	3 610	1 072	29,70%
Contract liabilities	1 822	8 119	(6 297)	(77,56%)
Short-term related party payables	532	497	35	7,04%
Income tax liabilities	61	118	(57)	(48,31%)
Total current liabilities	13 407	22 235	(8 828)	(39,70%)

Current liabilities decreased by BGN 8 828 thousand or 39,70 % in 2023.

CASH FLOWS

The Group has no liquidity problems and operates with the available resources while maintaining a low level of indebtedness for the period under review. Traditionally, the largest pay-out in revenue streams is paid by customers, while the role of a negative item is paid by payments to suppliers.

SUMMARY OF CASH FLOW

	31.12.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Net cash flow from operating activities	2 801	8 665	(5 864)	(67,67%)
Net cash flow from investing activities	8 927	19 302	(10 375)	(53,75%)
Net cash flow from financing activities	(18 032)	(18 089)	57	(0,32%)
Net change in cash	(6 304)	9 878	(16 182)	n/a
Cash at the beginning of the year	21 146	11 353	9 793	86,26%
Exchange gains/(losses) on cash and cash equivalents	(148)	(85)	(63)	74,12%
Cash at the end of the year	14 694	21 146	(6 452)	(30,51%)

INDICATORS AND RATIOS

№	Indicators (in BGN '000)	31.12.2023	31.12.2022	Change (value)	Change %
1	Revenue from operating activities	81 315	80 092	1 223	1,53%
2	Cost of sales	(79 818)	(76 788)	(3 030)	3,95%
3	Gross profit	1 497	3 304	(1 807)	(54,69%)
4	Other operating costs	(2 071)	(1 462)	(609)	41,66%
5	Operating (loss)/ profit	(574)	1 842	(2 416)	n/a
6	Financial income	80	738	(658)	(89,16%)
7	Financial costs	(946)	(13 785)	12 839	(93,14%)
8	Profit before tax expense	(1 440)	(11 205)	9 765	(87,15%)
9	Tax costs	(22)	383	(405)	n/a
10	Net profit	(1 462)	(10 822)	9 360	(86,49%)
11	Dividend	3 597	2 030	1 567	77,19%
12	Cash and cash equivalents	14 694	21 146	(6 452)	(30,51)%
13	Inventories	2 104	560	1 544	275,71%
14	Short-term assets	36 936	45 552	(8 616)	(18,91%)
15	Total amount of assets	95 520	122 507	(26 987)	(22,03%)
16	Average arithmetic total asset value for 5 quarters	107 937	147 177	(39 240)	(26,66%)
17	Current liabilities	13 407	22 235	(8 828)	(39,70%)
18	Debt	2 450	14 835	(12 385)	(83,49%)
19	Liabilities (borrowed funds)	15 894	31 956	(16 062)	(50,26%)
20	Equity	79 626	90 551	(10 925)	(12,07%)
21	Equity averaged 5 quarters	84 946	106 675	(21 729)	(20,37%)
22	Turnover capital	23 529	23 317	212	0,91%
23	Number of shares at the end of the period (in thousands)	59 361	59 361	-	-
24	Gain minority interest	383	705	(322)	(45,67%)
25	Interest expenses	(163)	(332)	169	(50,90%)
26	Weighted average price of last trading session	0,715	0,738	(0,0225)	(3,05%)
27	Last price per share of last trading session	0,725	0,750	(0,025)	(3,33%)

Indicators	31.12.2023	31.12.2022	Change (value)	Change %
EBITDA	2 517	(2 555)	5 072	n/a
DEPRECIATION	(3 794)	(8 318)	4 524	(54,39%)
EBIT	(1 277)	(10 873)	9 596	(88,26%)
FIN/INVEST NET	(866)	(13 047)	12 181	(93,36%)
EBT	(1 440)	(11 205)	9 765	(87,15%)
ROA	(0,0193)	(0,0941)	0,0748	(79,47%)
ROA(BSE)	(0,0171)	(0,0783)	0,0612	(78,18%)
Debt/EBITDA Ratio	0,9734	(5,8063)	6,7796	n/a
Quick Ratio	2,5980	2,0235	0,5746	28,40%
ROE	(0,0172)	(0,1014)	0,0842	(83,03%)
Debt/Equity Ratio (BSE)	0,1996	0,3529	(0,1533)	(43,44%)
Profitability ratios				
Gross profit margin	0,0184	0,0413	(0,0228)	(55,31%)
Operating profit margin	(0,0071)	0,0230	(0,0301)	n/a
Net profit margin	(0,0180)	(0,1351)	0,1171	(86,69%)
Return on Assets	(0,0135)	(0,0735)	0,0600	(81,57%)
Return on Equity	(0,0172)	(0,1014)	0,0842	(83,03%)
Coefficients for assets and liquidity				
Assets turnover ratio	0,7541	0,5492	0,2049	37,31%
Assets turnover ratio (BSE)	0,7534	0,5442	0,2092	38,44%
Operating cycle	3,4559	3,4349	0,0210	0,61%
Current ratio	2,7550	2,0487	0,7063	34,48%
Quick ratio	2,5980	2,0235	0,5746	28,40%
Cash ratio	1,0960	0,9510	0,1450	15,24%
Odds per share				
P/S ratio	0,5220	0,5466	(0,0247)	(4,51%)
P/E ratio	(29,0309)	(4,0453)	(24,9855)	617,64%
Revenue per share	1,3698	1,3492	0,0206	1,53%
Earnings per share	(0,0246)	(0,1823)	0,1577	(86,49%)
Book value of equity per share	1,4310	1,7971	(0,3661)	(20,37%)
Dividend ratios				
Dividend payout ratio	(2,4603)	(0,1876)	(2,2727)	1 211,61%
Profit retention ratio	3,4603	1,1876	2,2727	191,38%
Dividend per share	0,0606	0,0342	0,0264	77,19%
Development Ratios				
Revenue growth	0,0153	64,4881	(64,4729)	(99,98%)
Gross profit growth	(0,5469)	(2,8284)	2,2815	(80,66%)
Assets growth	(0,2203)	(5,5395)	5,3192	(96,02%)
Leverage Ratios				
Debt/total assets	0,0227	0,1008	(0,0781)	(77,48%)
Debt/capital	0,0280	0,1221	(0,0941)	(77,04%)
Debt/equity	0,0288	0,1391	(0,1102)	(79,26%)
Total assets/equity	1,2707	1,3797	(0,1090)	(7,90%)
Market value of the company	43 037	44 521	(1 484)	(3,33%)

RELATED COMPANIES TRANSACTIONS

Transactions with associated parties

	2023	2022
	BGN'000	BGN'000
Sale of services		
- Administrative, accounting services	64	279
- Software	-	2
- Rents	11	7
- Hosting and Internet	17	-
- Others	-	20
Sale of assets	-	428
Non-monetary contribution to the capital of Ontotext AD	-	37 627
Sale of shares from the capital of Ontotext AD	20 511	-

Transactions with other related parties

	2023	2022
	BGN'000	BGN'000
Sale of services		
- Administrative, accounting services	4	4
- Rents	8	13
- Software services	103	65
Purchases of goods	56	-
Returned given loans	-	48
Given loans	-	295
Interest on given loans	6	5

10 EMPLOYEES AND ECOLOGY

ECOLOGY

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

EMPLOYEES

The Group 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'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 invests in various training programs for its employees and provides its employees with opportunities for professional development.

Count of employees in the Group:

31.12.2023

Company	LC	CMC	Total
SIRMA SOLUTIONS	166	7	173
SCIANT	132	4	136
SIRMA BUSINESS CONSULTING	73	5	78
SIRMA INSURTECH	35	1	36
ENGVIEW SYSTEMS SOFIA	34	4	38
SCIANT SHPK.(RESOLUTIONS)	28	1	29
SIRMA GROUP HOLDING	20	9	29
SIRMA SHA, ALBANIA	15	3	18
S&G, UK	10	1	11
SIRMA ICS	7	1	8
DATICUM	8	2	10
SIRMA MEDICAL SYSTEMS	3	3	6
SIRMA CI	2	3	5
SIRMA AB	2	0	2
SIRMA GROUP INC., USA	2	1	3
SAI (ONTOTEXT)	1	3	4
ENGVIEW SYSTEMS GERMANY	1	1	2
Total	539	49	588

31.12.2022

Company	LC	CMC	Total
SIRMA SOLUTIONS	164	7	171
SCIANT	105	2	107
SIRMA BUSINESS CONSULTING	68	5	73
SIRMA INSURTECH	37	1	38
ENGVIEW SYSTEMS SOFIA	33	4	37
RESOLUTIONS	23	1	24
SIRMA GROUP HOLDING	20	9	29
SIRMA SHA, ALBANIA	14	3	17
S&G, UK	9	1	10
SIRMA ICS	9	1	10
DATICUM	8	2	10
SIRMA MEDICAL SYSTEMS	5	3	8
SIRMA CI	2	3	5
SIRMA GROUP INC., USA	1	1	2
ENGVIEW SYSTEMS GERMANY	-	1	1
ONTOTEXT	-	1	1
Total	498	45	543

11 RISK FACTORS

Risk management objectives and policies

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

The Group's risk management is carried out by the central administration, in close co-operation with the board of directors and focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

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

MARKET RISK ANALYSIS

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

As the economic consequences of the war unfolded in Ukraine, strong inflationary pressures arose, which was particularly high in 2022, when inflation reached 15.3 percent. Average annual inflation for the period January - December 2023 fell compared to the period January - December 2022 to 9.5 percent. By the second half of 2025, easing pressures from energy prices and other costs, together with the ECB's monetary policy measures, should return inflation to the target level.

The expected retention of the level of inflation will continue to affect the maintenance of high levels of purchase prices of the goods and services used by the Group, which could lead to an unexpected contraction in consumer demand and, consequently, future revenues.

Foreign currency risk

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

To mitigate the Group's exposure to foreign currency risk, non-BGN cash flows are monitored. Generally, Group'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 Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into Bulgarian leva at the closing rate:

	Short-term exposure	
	USD BGN'000	GBP BGN'000
31 December 2023		
Financial assets	7 276	1 045
Financial liabilities	(89)	(22)
Total exposure	7 187	1 023
31 December 2022		
Financial assets	9 851	773
Financial liabilities	(75)	(264)
Total exposure	9 776	509

The following tables illustrate the sensitivity of post-tax financial result for the year and equity in regards to exchange rate differences between the Bulgarian Lev (BGN) and the following currencies 'all other things being equal':

- US Dollars (USD) +/- 2.2 % (for 2022: +/- 8.6 %)
- Pound Sterling (GBP) (+/- 2.53 %) (for 2022: +/- 3.9 %)

All other parameters are assumed to be constant.

These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months.

The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting date and also takes into.

31 December 2023	Increase of the exchange rate		Decrease of the exchange rate	
	BGN/foreign currency			
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
US Dollars (USD) (+/- 2.2%)	(158)	(158)	158	158
Pound Sterling (GBP) (+/- 2.53%)	(26)	(26)	26	26

31 December 2022	Increase of the exchange rate		Decrease of the exchange rate	
	BGN/foreign currency			
	Net financial result	Equity	Net financial result	Equity
	BGN'000	BGN'000	BGN'000	BGN'000
US Dollars (USD) (+/- 8.6%)	(582)	(582)	582	582
Pound Sterling (GBP) (+/- 3.9%)	(18)	(18)	18	18

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

Despite the small amount of financial instruments in foreign currency, the impact of the general economic situation and the dynamics of the international markets could have an impact that would lead to unexpected changes in the exchange rate of the US dollar and this would affect the financial results of the Group in the future.

Interest rate risk

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

In 2023, the Group was not exposed to the substantial risk of changes in market interest rates on its bank loans, which have a variable interest rate, because long-term investment loan was repaid. All other financial assets and liabilities of the Group have fixed interest rates.

In 2022, the Group 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 Group 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%)	(124)	(124)	124

CREDIT RISK

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

Financial assets	31.12.2023	31.12.2022
	BGN'000	BGN'000
Financial assets at fair value through profit or loss:		
Non-current financial assets	-	336
Current financial assets	3 292	-
Non-current related party receivables	295	-
Trade and other receivables	15 661	16 573
Related party receivables	99	418
Loans given	-	150
Cash	14 694	21 146
	34 041	38 623

The Group 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 Group's policy is to deal only with creditworthy counterparties. The Group'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 Group's management has performed an analysis of the settlements with its counterparties, as well as the potential effect on their credit quality, incl. in terms of forming a reasonable amount of expected credit losses, according to the adopted model for determining them in accordance with IFRS 9. Based on the analysis, and taking into account the collection of receivables in the period after the pandemic, until the date of preparation of the pandemic In this consolidated financial statement, the Management Board considers that in the short term there are no indications of deterioration in the credit quality of counterparties, and that there are currently no grounds to change the model for calculating expected credit losses, including due to lack of credit losses. sufficiently reliable data. The long-term perspectives and potential effects on the collection and credit quality of the estimates are subject to constant monitoring and updating by the Management. The process also takes into account the fact that the existence of temporary liquidity problems of counterparties caused directly by Covid-19 are not considered indications of deteriorating credit quality.

None of the Group's financial assets are secured by collateral or other credit enhancements in regard to transactions.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

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

LIQUIDITY RISK

Liquidity risk is the risk arising from the Group not being able to meet its obligations. The Group 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 Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. 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 2023, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

31 December 2023	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years
	BGN'000	BGN'000	BGN'000	BGN'000
Borrowings	289	289	-	-
Finance lease obligations	295	294	1 325	12
Trade and other payables	3 682	-	-	-
Related party payables	530	-	328	-
Total	4 796	583	1 653	12

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

31 December 2022	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years
	BGN'000	BGN'000	BGN'000	BGN'000
Borrowings	2 626	2 625	7 707	-
Finance lease obligations	306	305	1 123	198
Trade and other payables	2 634	-	-	-
Related party payables	497	-	-	-
Total	6 063	2 930	8 830	198

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

Financial assets used for managing liquidity risk

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

12 OTHER INFORMATION AS PER APPENDIX 11 OF ORDINANCE 2 OF THE FSC

12.1 INFORMATION ABOUT EVENTS AND INDICATORS WITH UNUSUAL NATURE FOR THE GROUP, HAVING A SIGNIFICANT EFFECT ON THEIR ACTIVITY AND THEIR INCOME AND EXPENDITURE; EVALUATION OF THEIR IMPACT ON RESULTS IN THE CURRENT PERIOD

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

12.2 INFORMATION ABOUT OFF-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 GROUP AND THE DISCLOSURE OF THIS INFORMATION IS ESSENTIAL FOR ASSESSING THE FINANCIAL POSITION OF THE COMPANY.

There are no transactions recorded off-balance sheet in the Group.

12.3 INFORMATION ABOUT THE USE OF FUNDS FROM THE NEW ISSUE OF SECURITIES, CARRIED OUT DURING THE REPORTING PERIOD.

The Group did not use funds from a new issue of securities in the reporting period.

12.4. ANALYSIS OF THE RELATIONSHIP BETWEEN THE FINANCIAL RESULTS ACHIEVED, REPORTED IN THE CONSOLIDATED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR AND EARLIER PUBLISHED PROJECTIONS FOR THESE RESULTS.

The financial results of the Group correspond to the forecasts made in the Development Strategy of Sirma Group Holding, which is published on the company's website.

12.5 ANALYSIS AND FINANCIAL EVALUATION OF THE FINANCIAL RESOURCES MANAGEMENT POLICY WITH THE POSITION OF OPPORTUNITIES FOR THE SERVICE OF THE OBLIGATIONS, THE EVENTUAL THREATS AND MEASURES WHICH THE COMPANY WAS PREVENTED OR PROVIDED TO TAKE FOR THE PURPOSE OF REMOVING THEM.

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

The Group'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, the Group 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.

12.6 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.

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

12.7 INFORMATION ABOUT OCCURRING CHANGES IN THE REPORTING PERIOD IN THE MAIN PRINCIPLES FOR THE MANAGEMENT OF THE GROUP AND ITS ECONOMIC GROUP.

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

12.8 INFORMATION ABOUT THE MAIN CHARACTERISTICS OF THE INTERNAL CONTROL SYSTEM IMPLEMENTED IN THE GROUP IN THE PROCESS OF FINANCIAL REPORTING AND RISK MANAGEMENT SYSTEM

Under Bulgarian law, the management should prepare an annual 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 consolidated financial statements have been prepared in accordance with the going concern principle, taking into account the possible effects of the emerging geopolitical situation and other risks accompanying the Group's activity.

During the reporting period, there were no changes in the main management principles of the Group.

12.9 INFORMATION ON CHANGES IN MANAGEMENT AND SUPERVISORY BODIES IN THE FINANCIAL YEAR.

There were no changes in the Group's management and supervisory bodies during the reporting period.

12.10 INFORMATION ABOUT THE KNOWN TO THE GROUP AGREEMENTS (INCLUDING ALSO AFTER THE CLOSING OF THE FISCAL YEAR) AS A RESULT OF WHICH CHANGES MAY OCCUR AT A FUTURE TIME IN THE OWNED PERCENT OF SHARES OR BONDS BY CURRENT SHAREHOLDERS OR BONDHOLDERS.

The Group has no information of agreements which may alter the owned percent of shares by current shareholders. The companies within the Group have not issued bonds.

12.11 CONTACT DETAILS OF THE DIRECTOR "INVESTOR CONNECTIONS", INCLUDING TELEPHONE AND ADDRESS FOR CORRESPONDENCE.

Stanislav Tanushev

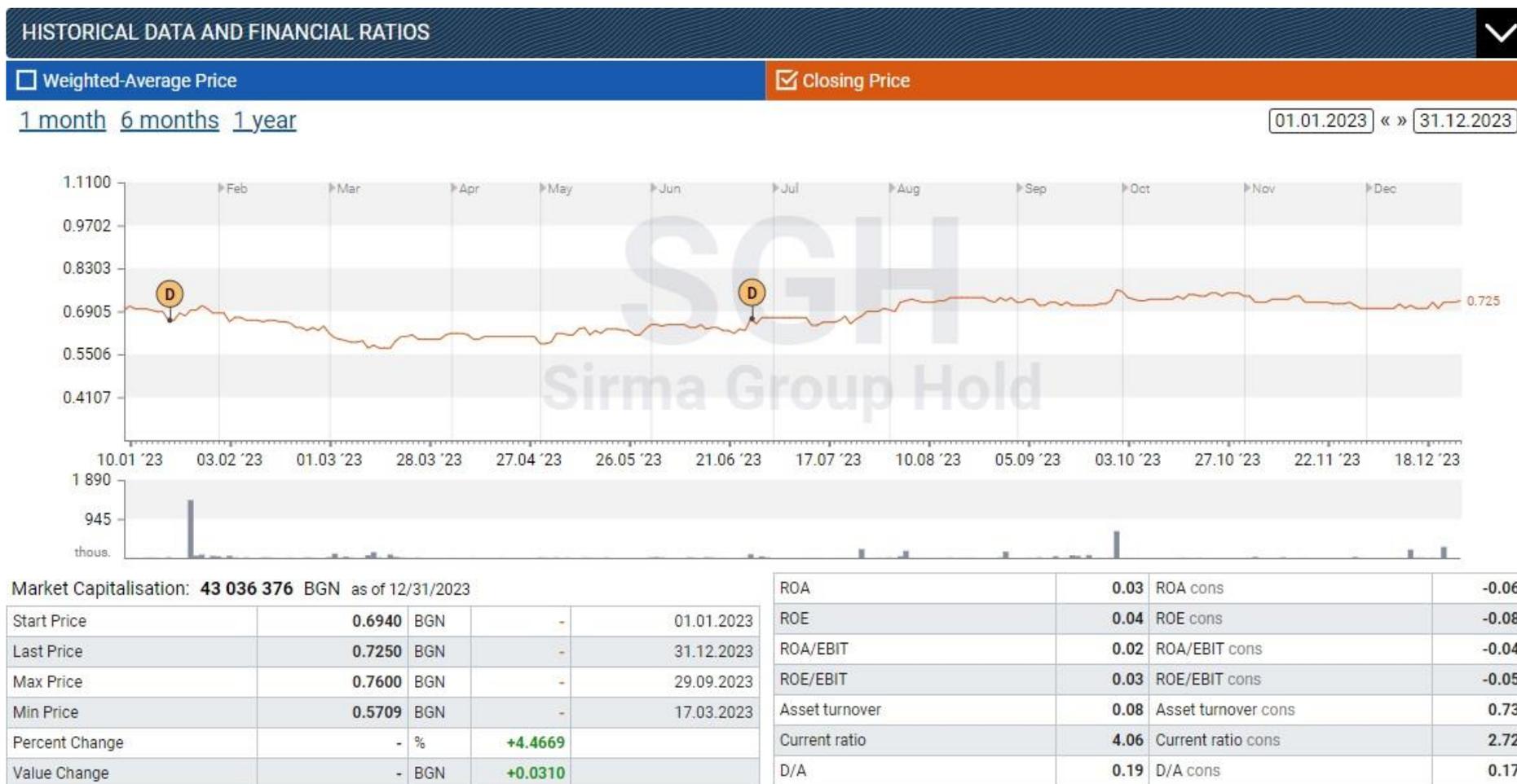
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13 CHANGES IN THE PRICE OF THE SHARES OF SIRMA GROUP HOLDING JSC



14 EVENTS AFTER THE END OF THE REPORTING PERIOD

Reduction of the capital of a subsidiary company

On 21.12.2023 the Board of Directors of the subsidiary "SAI" AD made a decision to buy the shares of the company from the individual shareholders. As a result of this decision, the sole owner of the company became "Sirma Group Holding" JSC. The decision was entered and announced in the Commercial Register on 12.01.2024. As of that date, SAI is a sole proprietorship and its capital is BGN 13 588 241, divided into 13 588 241 ordinary (only) shares with a nominal value of BGN 1, whose sole owner is Sirma Group Holding JSC.

Buyback of shares

By decision of the General Meeting of Shareholders of "Sirma Group Holding" JSC, dated 09.01.2023, on 24.01.2024 "Sirma Group Holding" JSC bought back 1 000 000 of its shares at an average price of BGN 0.74 per share at a total price of BGN 740 000. The shares represent 1.68% of the company's capital. The purchase was made on the Bulgarian Stock Exchange - Sofia AD.

The business consolidation strategy

On 21.03.2024 "Sirma Group Holding" JSC announced pending steps towards the implementation of the Strategy for the consolidation of activities and ownership within the Group. The main guidelines of the Consolidation Strategy are:

- Objective of the Strategy: By strengthening the vertical specialization of services, achieving organic and inorganic (through acquisitions) sales growth up to EUR one hundred million and listing on a major world stock exchange;
- Time frame: 2023 – 2026;
- Continuation of the process of consolidation of ownership in subsidiaries;
- Maximum consolidation of the number of companies in the Group (with the exception of foreign companies);
- Full transition to a vertical business organization with the following main verticals: - Financial Services; Transport and Logistics; Hospitality; Industrial; Insurance; Healthcare; Retail.
- Adequate restructuring and optimization of management in the Group and full use of all synergies.

Purchase of shares by subsidiary company

On 24.01.2024 "Sirma Solutions" EAD – a subsidiary of "Sirma Group Holding" JSC, bought 700 000 shares from the capital of "Sirma Group Holding" JSC, through transactions, made on the Bulgarian Stock Exchange - Sofia AD, at an average price of BGN 0,729917 per share. The shares represent 1.18% of the company's capital.

Purchase of a minority block of shares from the capital of a subsidiary

On 15.04.2024, "Sirma Group Holding" AD concluded contracts for the purchase of shares with three individuals and one legal entity, owners of the minority package of shares of "Sirma Inshurtech" AD. In one of the share purchase agreements with one of the persons, there is a commitment by the Group to transfer to that person an additional number of shares from "Sirma Group Holding" AD as of 31.01.2026, if the price of the shares of "Sirma Group Holding" AD is below a certain value.

There is no possibility of potential future liability to the individual to occur and no liability has accrued as of the date of the consolidated financial statements. The event has been only disclosed.

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

Sofia
26.04.2024

Tsvetan
Borisov
CEO: Alexiev
Tsvetan Alexiev

Digitally signed
by Tsvetan
Borisov Alexiev
Date: 2024.04.26
16:53:22 +03'00'