



Sirma

Consolidated Non-financial Declaration

Of „Sirma Group Holding“ for the
period 01.01.2022 – 31.12.2022

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1. About this declaration

The present Consolidated Non-Financial Declaration of "Sirma Group Holding" JSC has been drawn up on the basis of the Accounting Law and follows the structure as described in Art. 48–52 of the same. The consolidated non-financial statement is an integral part of the annual consolidated report on the group's activities.

2. Description of the business model of “Sirma Group Holding” JSC

The companies from the economic group of "Sirma Group Holding" JSC ("Group", "Sirma Group") form one of the largest ICT companies in Bulgaria with over 31 years of history. Established as a regional leader in information technology, the group has a set of proprietary, innovative technologies, a diverse product portfolio, and a growing market share in Europe and North America.

"Sirma Group Holding" JSC is a holding company, and as such, its main activity is related to the strategic and operational management of investments in companies developing information technologies and providing IT services, to which it provides management, administrative-legal, marketing, and financial services. The responsibilities of the holding company can be classified as follows:

- Strategic Management;
- Financial Management;
- legal and administrative services;
- Overall operations management, including intellectual property management, human resources, marketing, and brand management.

Over the years, Sirma has created over 20 companies, investing huge financial and human capital in them. Our strategy is to create businesses, incubate them, and grow them.

Generating stable growth, profitability, and consistent business results are among the holding's main priorities.

2.1 Applied technologies

The companies within Sirma Group offer the following technological solutions to their clients:



2.2 Serviced client groups

Currently, companies in the group operate in the country and abroad in five business verticals: financial institutions and fintech, industrial software, healthcare, logistics and transport, and hospitality.

Financial segment

- Services for the banking sector on the system integration and implementation of various solutions based on "FlexCube" of Oracle Corporation and "T24 Core Banking" of Temenos;
- cloud-based platform provider for insurance brokers.
- Software services and solutions for insurance companies

Industrial software

- provider of CAD/CAM solutions for the packaging industry;
- supplier of products and solutions for the measurement industry;
- OEM (machine factory software) partners supply machines to the measurement industry;
- online platform for connecting consumers and manufacturers in the packaging industry, based on the proprietary product EngView Package Designer Suite.

Healthcare and Life Sciences

- Software applications for the management and control of chronic diseases;
- product for monitoring a chronic disease, diabetes (Diabetes M);
- Analysis of drug clinical trial reports and data integration for pharmaceutical companies and health insurers.

Hospitality and logistics

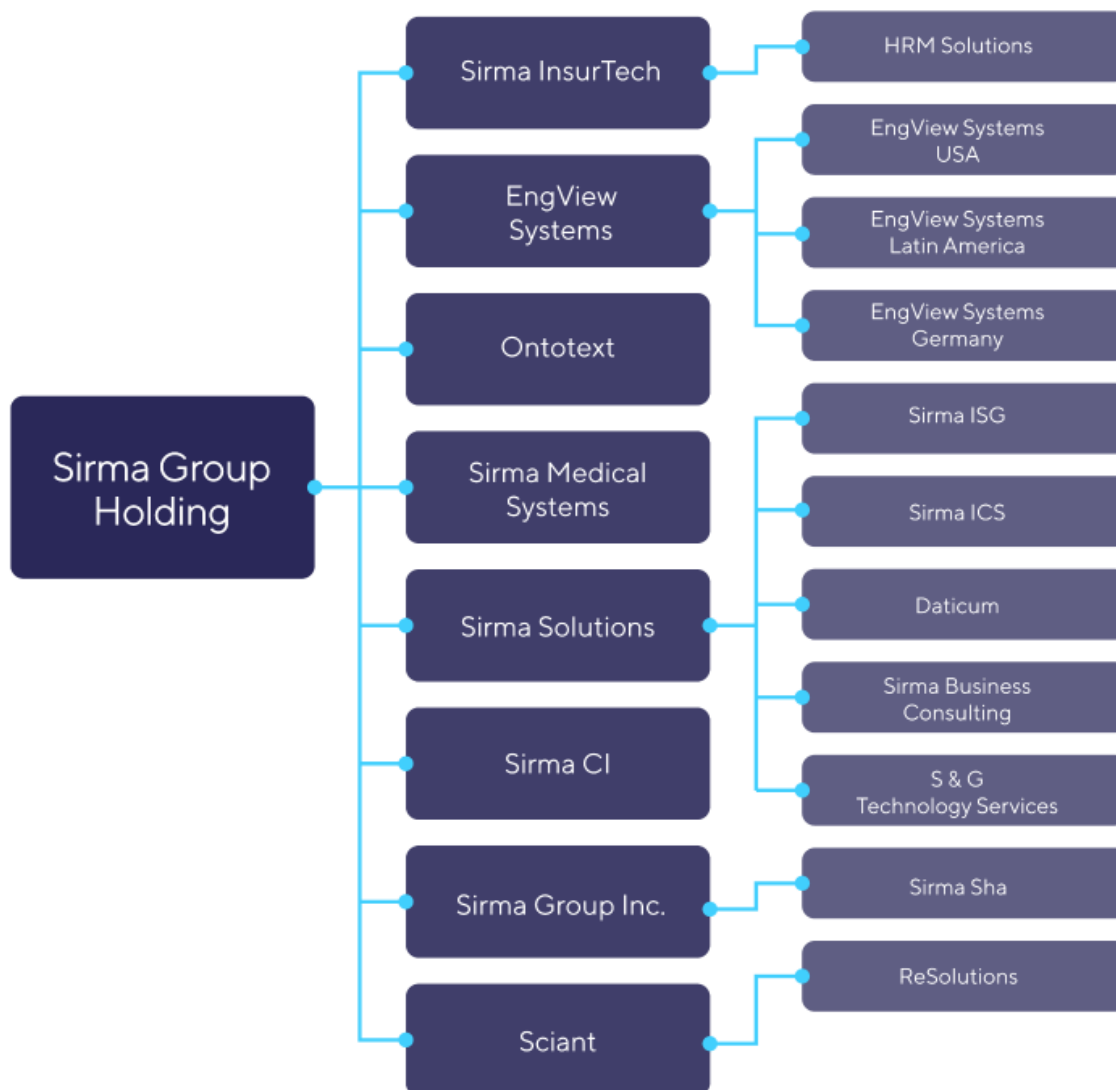
- development of software according to the customer's order;
- System integration.

2.3. Corporate structure

The economic group of "Sirma Group Holding" JSC includes the parent company and its subsidiaries and associated companies, all of which operate in the IT sector. The group functions as a typical holding structure with the organization of activity, coordination, and subordination of companies typical of such a structure.

The companies in the group have a common strategic framework, corporate values, financial and accounting policies, a vision for good corporate governance, and personnel policies. Upholding Ad

Visualization of the organizational structure of "Sirma Group Holding" JSC:



Subsidiaries of “Sirma Group Holding” JSC:

Company	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	Value of the investment at 31.12.2021 (in BGN'000)	Percentage of capital at 31.12.2021	Percentage of voting rights* at 31.12.2021	Changes (in BGN'000)
Sirma Solutions	39 686	80,11%	100,00%	39 311	77,71%	82,43%	375
SAI (Ontotext)	17 865	84,56%	100,00%	17 865	87,65%	90,44%	-
Sciant	10 237	80,00%	80,00%	10 237	80,00%	80,00%	-
Sirma Group Inc, USA	3 471	76,30%	76,30%	3 471	76,30%	76,30%	-
Sirma InsurTech (TBI Info)	914	55,00%	55,00%	-	-	-	914
Sirma CI	106	80,00%	80,00%	106	80,00%	80,00%	-
Sirma Medical Systems	66	66,00%	66,00%	66	66,00%	66,00%	-
Engview Systems	50	72,90%	72,90%	50	72,90%	72,90%	-
Sirma AI	-	-	-	7 035	100,00%	100,00%	(7 035)

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

Subsidiaries of “Sirma Solutions”

Company	Value of the investment at 31.12.2022 BGN '000	Percentage of capital at 31.12.2022	Value of the investment at 31.12.2021 BGN '000	Percentage of capital at 31.12.2021	Changes BGN '000
Daticum	1 394	60,50%	1 394	60,50%	-
Sirma Business Consulting	1 374	54,08%	1 374	54,08%	-
Sirma ICS	270	90,00%	270	90,00%	-
S&G Technology Services Ltd., UK	117	51,00%	117	51,00%	-
Sirma ISG	4	71,00%	4	71,00%	-

Subsidiaries of “EngView Systems Sofia”

Company	Value of the investment at 31.12.2022 BGN '000	Percentage of capital at 31.12.2022	Value of the investment at 31.12.2021 BGN '000	Percentage of capital at 31.12.2021	Changes BGN '000
EngView Systems Germany	235	100%	156	100%	79
EngView Systems USA	190	100%	190	100%	-
EngView Systems Latin America, Brazil	7	95%	7	95%	-

Subsidiaries of Sirma Group Inc.

Company	Value of the investment at 31.12.2022 BGN '000	Percentage of capital at 31.12.2022	Value of the investment at 31.12.2021 BGN '000	Percentage of capital at 31.12.2021	Changes BGN '000
Sirma Sha Albania	25	55%	25	55%	-

Subsidiaries of "Sciant"

Company	Value of the investment at 31.12.2022 BGN '000	Percentage of capital at 31.12.2022	Value of the investment at 31.12.2021 BGN '000	Percentage of capital at 31.12.2021	Changes BGN '000
ReSolutions Shpk	256	100%	-	-	100
Sciant Software s.r.o.	-	-	2	100%	(2)

Subsidiaries of " Sirma InsurTech "

Company	Value of the investment at 31.12.2022 BGN '000	Percentage of capital at 31.12.2022	Value of the investment at 31.12.2021 BGN '000	Percentage of capital at 31.12.2021	Changes BGN '000
HRM Solutions	150	100%	-	-	150

Associated companies of "Sirma Solutions"

Company	Value of the investment at 31.12.2022 BGN '000	Percentage of capital at 31.12.2022	Value of the investment at 31.12.2021 BGN '000	Percentage of capital at 31.12.2021
Ontotext AD (Sirma AI AD)	20 511	23,80%	-	-
SEP Bulgaria	-	6,50%	-	6,50%

2.4. System of governance

Since 2015, "Sirma Group Holding" JSC has been a public company, owned by its shareholders, who exercise full control over the company. The holding company, in turn, owns a controlling stake (more than 50%) in the capital of the subsidiaries.

The holding, as well as its subsidiaries, have a one-tier management system.

Operational control is delegated to the Board of Directors and the Executive Director, respectively.

Bodies to the Board of Directors

"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:

- Investment and Risk Committee, composed of:**
Yordan Nedev – chairman
Tsvetan Alexiev – member
Georgi Marinov – member
- Remuneration Committee, composed of:**
Georgi Marinov – chairman
Peter Statev – member (up to 02.03.2023)
Martin Paev – member (after 02.03.2023)
Yordan Nedev – member
- Information Disclosure Committee, composed of:**
Tsvetan Alexiev – chairman
Stanislav Tanushev – member
Chavdar Dimitrov – member
Atanas Kiryakov - member
- Audit Committee, composed of:**
Angel Petrov Kraychev - chairman
Alexander Todorov Kolev - member
Veselin Anchev Kirov – member

Company documents

The company abides by a number of internal documents, which aim at work governance, ensuring transparency and averting abuse:

System of Corporate Governance	Description	Adoption	Latest review
Articles of Association	The Articles of Association define the rules by which important decisions are made in the Company	2015	24.6.2022
Decisions of the General Meeting of Shareholders	The decisions of the shareholders are fundamental to the Company's activities	Minimum once per year	15.02.2023
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	
Instruction for the obligations and responsibilities of insiders	Instructions and clarifications on duties and responsibilities when accessing and working with inside information.	2015	2021
Program for good corporate governance	A system of rules that protects the interests of shareholders and other stakeholders	2015	2021
Code of conduct for the financial and accounting positions	A code that guarantees the transparent and reliable preparation of financial accounting documents	2015	
Ethical code of conduct for employees	The Code establishes the norms for ethical behavior of employees at Sirma Group Holding	2020	

3. Description of the policies followed by "Sirma Group Holding" JSC and its subsidiaries in terms of environmental, social, anti-corruption activities, including the activities carried out during the year and the results achieved.

3.1. Environmental footprint of Sirma Group's activities, measurement, policy and initiatives during the year

"The Sirma Group head office will use 100% renewable energy through its own photovoltaic production by the end of 2023. In planning for this goal, we also aim to achieve it by using the minimum amount of resources – hence limiting the installation of batteries."

COO Tsvetan Trenchev

The activities of the companies of "Sirma Group Holding" JSC are mainly concentrated in two segments of the IT industry: "IT services" and "Software development". The work in both segments has a minimal negative effect on the environment. In parallel, through the results of their activity, the companies in the Group assist their clients in reducing the negative footprint of their respective activities through:

- Reduction towards elimination of the use of paper in daily work;
- Increasing the efficiency of the work process;
- Ensuring the possibility of remote work for employees;
- Reduction of required hardware by using cloud services;
- Reduction of employees in the work process.

The environmental protection policy of "Sirma Group Holding" JSC consists of:

- Compliance with all laws and regulations, as well as internal procedures and instructions adopted by the group aimed at environmental protection, create prerequisites for the application of the best practices in environmental protection.
- Striving to reduce the direct and indirect impact of the activities of the group's companies on nature by analyzing and evaluating this impact and searching for ways to minimize it.

- Maintaining a minimum fleet in the group. In 2022, the number of company cars in all companies will amount to 7.
- Complete elimination of paper in internal company communication by developing various high-tech solutions
- Document printing policy (when needed) defaults to two-sided printing in black and white to save supplies and paper. Printing is done on multi-function devices that are located in easily accessible places in the group's offices in order to save equipment and space.
- Strive to reduce waste and increase recycling. The subject of the activity of the companies in the group is related to the use of computer equipment. Sirma Group recycles its materially and/or morally depreciated computer equipment that is no longer usable. In 2022, the companies in the group handed over 186 servers, storage devices, and other hardware to specialized companies for recycling computer equipment.
- Strive for efficient consumption of resources arising from the consumption of electrical and thermal energy, water, fuels, materials, etc. In 2022, "Sirma Group Holding" JSC started a project to install a photovoltaic plant without batteries for its own needs at its main building. The expected production of 90 kW of electricity should satisfy the needs of all companies in the building. The completion of the project will occur at the end of 2023.
- Internal emergency plans are updated to address all major accident risks. Prevention and evasion of incidents leading to air, water, and soil pollution
- Provision of sufficient information and instructions to employees related to environmental protection
- Active cooperation with control authorities, local authorities, the community, and all interested parties in solving problems related to the environment.
- Organization of corporate events for the protection and restoration of the environment, such as campaigns for recycling, planting trees, cleaning the environment, and others
- In 2022, with the help of employees from companies in the Sirma Group, the Sirma Forest was created in the Paunovo region of the Ikhtiman municipality. 500 deciduous trees of various species were planted in an area designated for afforestation.

The environmental policy is compatible with the management's vision and strategy for the future development of the companies in the group.

3.2. Social impact from the activity of Sirma Group, measurement, policy and initiatives during the year

*„People – they are the most important resource of “Sirma Group”.
The care for their qualification, motivation and wellbeing has a direct
impact upon the economic achievements of the companies.“*

Tsvetan Alexiev - CEO

Our employees

Our employees are our wealth. The policy of the companies of "Sirma Group Holding" JSC towards their employees excludes any form of discrimination and, in parallel, promotes diversity among the teams.

Indicator	Value
Number of employees as of 31.12.2022	522
Proportion of men / women	77% / 23%
Number of nationalities within the Group	6
Average monthly salary as of 31.12.2022	BGN 5 100
Increase of the average salary during 2022 г.	12%
Average length of service in the company	8 years
New employees during 2022	136
Employees who have left during 2022	68

The policy towards the employees of the companies within the Sirma Group is expressed in:

- Strict compliance with the labor legislation in Bulgaria.
- Care for increasing the qualification by financing the participation in various trainings and programs of each of the employees. These trainings are targeted at the areas of occupation of each individual employee. The most common and most attended program is the one in English (worth BGN 200 per month per employee).
- Care for professional development and remuneration. An annual attestation of each employee in the companies of the group outlines the strengths and weaknesses in the work of each employee. Strengths are enhanced by advance in the job hierarchy and corresponding measures are taken to eliminate or minimize any weaknesses.
- Taking care of building and maintaining the teams in the group. This care begins with the so-called Welcome Pack (worth about BGN 60 per employee) for each new employee. It goes through weekly thematic gatherings (worth about BGN 2,000 per month) and "gifts for occasions" (worth about BGN 70 per employee per year). And it reaches the annual team-building events of all companies in the group (total value of about BGN 50,000 per year).
- Care for a healthy and safe working environment. All workplaces of the companies in the group have controlled access. This ensures a calm and safe working environment for every employee. Measures in this direction were strengthened in 2021 and 2022, when a global pandemic of COVID-19 broke out. Hygiene in offices, the provision of personal protective equipment, the reduction of employees who work in one room, and continuous disinfection of the work environment were measures that protected colleagues from the spread of
- Taking care of the employees' health. This care begins with disease prevention. Sirma Group provides free unlimited visits to swimming pools, gyms, and other sports and recreation facilities through sports cards (from BGN 35 per employee per month). Such cards are also provided on preferential terms for members of each employee's household. Twice a week, the employer provides fruit for the entire team in order to provide the necessary vitamins for each employee.

Subsequently, in addition to compliance with the legally established annual health examinations, employees in Sirma Group companies use additional health insurance (valued at BGN 30 per employee per month), providing affordable and free pre-hospital, hospital, and dental care and covering within certain limits the costs of various health consumables (glasses, etc.). Employees' family members can also be included in the additional health insurance of Sirma companies.

- Provision of the possibility of remote work. Remote work has never been foreign to Sirma Group employees, who are used to working in international teams on various projects. Working from home contributed to the preservation of jobs and the health of employees during the pandemic. In 2022, although not dictated by pandemic danger, the options for the majority of employees of companies in the Sirma Group for remote work were preserved. A reliable and secure VPN system was built and maintained, which provides easy and safe remote work with access to Sirma Group servers. The effect of this is a better work-life balance, decreased commuting time to the office, reduced transportation costs, and hence a reduced carbon footprint for each and every employee who chooses remote work.

Community care

The policy of care and responsibility for the development of employees does not exhaust the efforts made to support the social environment in Bulgaria. In 2022, Sirma Group companies implemented the following social initiatives:

- Sirma Academy

The Sirma Academy was created for free training in the basics of programming. Leading specialists from the group trained registered applicants free of charge. In 2022, two courses were organized for 50 people each. Unlike other similar IT academies, Sirma Akademy was aimed at specialists looking for re-qualification. The training was successful.

- home for children deprived of parental care in the village of Lesichovo

This home support is a 15-year tradition for employees of Sirma Group companies. Various intra-company bazaars were organized during the year, where goods made or brought by the employees of the companies were sold. All collected funds are subsequently sent to the home for children deprived of parental care in the village of Lesichovo. In 2022, BGN 3 855 were collected and sent.

3.3. Measures against corruption

The existence, updating, and implementation of clearly defined procedures for work in the Group are basic measures for countering corruption and other similar negative practices. They cover every aspect and level of the activity:

Procedure	Target
Program for good corporate governance	General management and control within the Group
Rules for the operation of the Board of Directors	Board of Directors
Policy for remuneration of the Board of Directors	Board of Directors
Procedure for trading in shares of senior executives from the Group	The Board of Directors and persons who are linked to them
Instructions for persons working with inside information	Persons who have access to inside information
Code of conduct for financial-accounting positions	Employees with financial-accounting and controlling functions
Ethical code of conduct for the employees	All employees

Sirma Group implements its Good Corporate Governance Program, which requires loyalty and ethics from all employees. All significant transactions in the companies are pre-budgeted and approved by the relevant executive director. The rules for the work of the governing bodies, in turn, are defined in the Rules for the Work of the Board of Directors.

The Group takes special care to prevent the abuse of inside information, which is described in detail in the relevant instructions for the persons who have such information (they are not always employees of the Group). A natural continuation of these instructions is the procedure for trading in shares of senior executives from the group, as well as persons related to them.

The activity of all companies in the group and the corresponding cash flows are subject to control and verification both by an internal audit committee and by an external, reputable auditing company, Grant Thornton OOD.

The counteraction of corrupt practices in Sirma Group is not limited to regulating the activities of its management and control bodies. The Code of Conduct for Financial and Accounting Positions and the Code of Ethics regulate the behavior of all operational levels in the group. In this way, the possibility of misuse of funds and corruption is excluded.

4. Main risks and their management

The group is exposed to various types of risks in relation to its financial instruments.

The group's risk management is carried out by the group's central administration in cooperation with the Board of Directors. Management's priority is to secure short- and medium-term cash flows by reducing its exposure to financial market risks.

The most significant risks to which the group is exposed and the measures for their mitigation are described in the consolidated activity report.

5. Environmentally sustainable economic activities defined in the regulatory framework of Regulation (EU) 2020/852

In this section, we publish information in connection with Art. 8 of Regulation (EU) 2020/852, establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (Taxonomy Regulation).

A thorough analysis of all economic activities was performed for taxonomy eligibility and alignment with Annexes I and II to Delegated Regulation (EU) 2021/2139 (Climate Delegated Act) based on the company's economic activities. The Climate Delegated Act focuses on those economic activities and sectors that have the greatest potential to achieve the climate change mitigation objective, i.e., the need to avoid the production of greenhouse gas emissions, reduce these emissions, or increase greenhouse gas removals and long-term carbon capture and storage.

5.1. Activities that contribute significantly to the mitigation of climate change and do not cause significant harm in relation to the achievement of any of the other environmental objectives under Article 9 of Regulation (EU) 2020/852

After a thorough review of the activity according to Annex I to Delegated Regulation (EU) 2021/2139, including all subsidiaries and all their subdivisions and functions, it was established that all the main activities of the companies of "Sirma Group Holding" JSC are taxonomically permissible, namely:

<i>KPI</i>	<i>Total (BGN '000)</i>	<i>Share of taxonomy-allowed economic activities (in accordance with the taxonomy) (in %)</i>	<i>Share of taxonomically inadmissible economic activities (in %)</i>
<i>Turnover</i>	78,558	100 %	0 %
<i>Capital expenses</i>	2,552	100 %	0 %
<i>Operational expenses</i>	504	100 %	0 %

5.1.1 Ownership of building

Description of the activity: Purchase of real estate and exercise of ownership rights over it. Economic activities of this category refer to code L68 under NACE — the statistical classification of economic activities established by Regulation (EC) No. 1893/2006 and item 7.7 of Annex I of Delegated Regulation (EU) 2021/2139 of the Commission. The activity of buying real estate and exercising ownership rights is not a main activity for "Sirma Group Holding" JSC or for the companies in the Group. At the same time, "Sirma Group Holding" JSC owns the building of its Headquarters,

where a large part of the subsidiaries are registered and operate. The building is located in the city of Sofia at 135 Tsarigradsko Shose Blvd.

5.1.2 Evaluation criteria:

[A significant contribution to climate change mitigation](#)

The building is equipped with a modern heating and air conditioning system. The thermal energy comes directly from the thermal power plant, while the air conditioning is provided by a 400 kW high-tech YCAM heat pump unit. The building's air conditioning system has the necessary automation and control in accordance with Article 14, paragraph 4 and Article 15, paragraph 4 of Directive 2010/31/EU. The air conditioning system of the building is inspected by a licensed company, for which the relevant protocols and prescriptions for prophylactics are drawn up and executed. The latter is carried out annually by the licensed company. Accordingly, the activity "exercise of rights on real estate" by "Sirma Group Holding" JSC is compatible with the taxonomy of activities according to Annex I to Delegated Regulation (EU) 2021/2139 and **has a contribution to the mitigation of climate change.**

5.2. Activities that contribute significantly to adaptation to climate change and do not cause significant harm in relation to the achievement of any of the other environmental objectives under Article 9 of Regulation (EU) 2020/852

After a thorough review of the activity in 2022 according to Annex II to Delegated Regulation (EU) 2021/2139, including all subsidiaries and all their subdivisions and functions, it was established that all the main activities of the companies of "Sirma Group Holding" JSC are in compliance with the taxonomy, namely:

[5.2.1. Activities in the sphere of information technologies](#)

The main subject of activity for all companies in "Sirma Group Holding" JSC is the development and implementation of products and services in the field of information technologies.

Description of activity: Providing expert knowledge and skills in the field of information technologies includes: writing, altering, testing, and maintaining software products; planning and design of computer systems that combine hardware, software, and communication technologies; on-site management and operation of customer computer systems or data processing facilities; and other professional and technical activities related to computers.

Economic activities of this category refer to code J62 under NACE — the statistical classification of economic activities established by Regulation (EC) No. 1893/2006 and item 8.2 of Annex II of Delegated Regulation (EU) 2021/2139.

Depending on the specifics of the technological solutions used and the range of products and services offered, the activity is divided into three segments:

INTELLIGENT EVOLUTION OF ENTERPRISES

The companies of Sirma Group, which operate in this segment are: "Engview Systems Sofia" JSC, "Sirma AI" JSC, „Sirma Solutions“ JSC, "Sirma Medical Systems" JSC, „Daticum“ JSC, "Sirma CI" JSC, Sirma Group Inc., and „Sciant“ JSC.

SOLUTIONS, PRODUCTS AND CONSULTATION OF THE FINANCIAL SECTOR

The companies of Sirma Group, which operate in the segment are: „Sirma Business Consulting“ JSC, „Sirma ICS“ JSC, „Sirma AI“ JSC, „Sirma Solutions“ JSC, S&G Technology Services, Sirma Group Inc., "Sciant" JSC, and „Sirma Insurtech“.

SYSTEM INTEGRATION

The company of Sirma Group, which operates in the segment, is "Sirma Solutions" JSC.

Within the framework of the economic activity, information technology physical and non-physical solutions ("adaptation solutions") have been implemented, ensuring the complete elimination of the most important physical climate risks, which are essential for this activity, and which are described in Appendix A to Annex II to Delegated Regulation (EU) 2021/2139. Therefore, the main activity of all companies in "Sirma Group Holding" JSC meets the criteria for its designation as an **activity that contributes to adaptation to climate change** and complies with the economic activity taxonomy.

5.3. Share of permissible activities carried out by "Sirma Group Holding" JSC and its subsidiaries

Key performance indicators

Key performance indicators ("KPI") include KPIs on turnover, KPIs related to capital expenditure (CAPEX), and KPI related to operating expenses (OPEX). For the reporting period 2022, KPIs must be disclosed in relation to taxonomically eligible economic activities and taxonomically ineligible economic activities (Article 10(2) of the

Article 8 Delegated Act). To present the KPI according to the taxonomy, the Company uses the samples included in Appendix II to the Delegated Act under Art. 8 of the Taxonomy Regulation.

Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022																					
Economic activities (1)	Code (codes) (2)	Absolute turnover (3)	Proportion of turnover (4)	Substantial contribution criteria					DNSH criteria ("Does No Significantly Harm")					Minimum safeguards (17)	Taxonomy aligned proportion of turnover in year 2022 (18)	Taxonomy aligned proportion of turnover in year 2021 (19)	Category (enabling activity) (20)	Category (enabling activity) (21)			
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)						Pollution (15)	Biodiversity and ecosystems (16)	
	BGN	000	%	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Percent	Percent	C	Π
A. Taxonomy aligned activities																					
A.1. Environmentally sustainable activities (taxonomy aligned)																					
7.7 Acquisition and ownership of buildings	L68	37	0.05%	0.05%	-	-	-	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	0.05%	NA	C	
8.2 Computer programming, consultancy and related activities	J62	78 521	99.95%	-	99.95%	-	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	99.95%	NA		
Turnover of environmentally sustainable activities (Taxonomy aligned) (A.1.)		78 558	100.00%	0.05%	99.95%													100.00%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (Not taxonomy-aligned activities)																					
Total (A.1. + A.2.)		78 558	100.00%															100.00%			
B. Turnover of Taxonomy not-eligible activities																					
Total (A + B)		78 558	100.00%																		

Template: Proportion of CAPEX of the products and services, Taxonomy aligned economic activities - disclosure covering year 2022																					
Economic activities (1)	Code (codes) (2)	Absolute CAPEX (3)	Proportion of CAPEX (4)	Substantial contribution criteria					DNSH criteria ("Does No Significantly Harm")					Minimum safeguards (17)	Taxonomy aligned proportion of CAPEX in year 2022 (18)	Taxonomy aligned proportion of CAPEX in year 2021 (19)	Category (enabling activity) (20)	Category (enabling activity) (21)			
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)						Pollution (15)	Biodiversity and ecosystems (16)	
	BGN	000	%	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Percent	Percent	C	Π
A. Taxonomy aligned activities																					
A.1. Environmentally sustainable activities (taxonomy aligned)																					
7.7 Acquisition and ownership of buildings	L68	216	8.46%	8.46%	-	-	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	8.46%	NA	C	
8.2 Computer programming, consultancy and related activities	J62	2 336	91.54%	-	91.54%	-	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	91.54%	NA		
CAPEX of environmentally sustainable activities (Taxonomy aligned) (A.1.)		2 552	100.00%	8.46%	91.54%													100.00%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (Not taxonomy-aligned activities)																					
Total (A.1. + A.2.)		2 552	100.00%															100.00%			
B. CAPEX of Taxonomy not-eligible activities																					
Total (A + B)		2 552	100.00%																		

Template: Proportion of OPEX of the products and services, Taxonomy aligned economic activities - disclosure covering year 2022																					
Economic activities (1)	Code (codes) (2)	Absolute OPEX (3)	Proportion of OPEX (4)	Substantial contribution criteria					DNSH criteria ("Does No Significantly Harm")					Minimum safeguards (17)	Taxonomy aligned proportion of OPEX in year 2022 (18)	Taxonomy aligned proportion of OPEX in year 2021 (19)	Category (enabling activity) (20)	Category (enabling activity) (21)			
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)						Pollution (15)	Biodiversity and ecosystems (16)	
	BGN	000	%	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Percent	Percent	C	Π
A. Taxonomy aligned activities																					
A.1. Environmentally sustainable activities (taxonomy aligned)																					
7.7 Acquisition and ownership of buildings	L68	105	20.83%	20.83%	-	-	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	20.83%	NA	C	
8.2 Computer programming, consultancy and related activities	J62	399	79.17%	-	79.17%	-	-	-	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	79.17%	NA		
OPEX of environmentally sustainable activities (Taxonomy aligned) (A.1.)		504	100.00%	20.83%	79.17%													100.00%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (Not taxonomy-aligned activities)																					
Total (A.1. + A.2.)		504	100.00%															100.00%			
B. OPEX of Taxonomy not-eligible activities																					
Total (A + B)		504	100.00%																		

The key indicators for the results of the activity are determined in accordance with Annex I to the Delegated Act under Art. 8 of the Taxonomy Regulation. The Group determines the taxonomy-compliant KPI in accordance with legal requirements and presents its accounting policy in this regard as follows:

KPI linked with turnover

The part of the turnover that derives from products or services related to economic activities that qualify as environmentally sustainable according to Articles 3 and 9 of Regulation (EU) 2020/852 is calculated as the part of the net turnover that derives from products or services related to taxonomy-compliant economic activities (numerator) divided by net turnover (denominator). The denominator of the turnover CPR is based on our net turnover determined in accordance with Article 2, item 5 of Directive 2013/34/EU (the amounts received from the sale of products and the provision of services after deducting trade discounts, value added tax and other taxes directly related to turnover) and including income included in the scope of IFRS 15 and IFRS 16. For more details on the accounting policies regarding the Company's net turnover, see Note 4 Accounting Policy, 4.10 Income, to the annual consolidated financial report for 2022.

The net turnover of the Company when determining the KPI can be compared with the income indicated in the annual consolidated financial statement by adding the income under the items Income from contracts with customers (note 27) and Other income (note 28, line Other income) from the consolidated statement of profit or loss and other comprehensive income for 2022.

KPIs linked with CAPEX

KPIs related to capital expenditure is defined as capital expenditure relating to taxonomy-compliant economic activities (numerator) divided by total capital expenditure (denominator).

Total capital expenditure consists of the value added on the acquisition of fixed tangible and intangible assets during the financial year, before impairment, amortization, and any additional valuations, including those resulting from revaluations and impairments. These include the acquisition of property, plant, and equipment (IAS 16) and intangible assets (IAS 38). For more details on the accounting policies of "Sirma Group Holding" JSC regarding capital expenditures, see Note 4: Accounting Policy, 4.14. Intangible Assets and 4.15. Property, plant, and equipment in the annual consolidated financial statements for 2022.

The Group's total capital expenditure can be compared to the annual consolidated financial statement by determining the sum of the items for newly acquired assets under Note 11: Property, plant, and equipment and Note 12: Intangible Aassets.

KPIs linked with OPEX

KPIs related to operating costs is defined as operating costs related to taxonomy-compliant economic activities (numerator) divided by total operating costs (denominator).

Total operating expenses consist of direct non-capitalized costs that relate to research and development, building repair and renovation costs, short-term leases, maintenance and repairs, and any other direct costs associated with the day-to-day servicing of real estate assets, machinery, and equipment. This includes:

- The amount of expenses related to non-capitalized leases is determined in accordance with IFRS 16 and includes expenses for short-term leases and leases of low value (note 31 Costs for external services to the annual consolidated financial statements for 2022). Although low-value leases are not explicitly mentioned in the Delegated Act under Art. 8 of the Taxonomy Regulation, the guidance interprets the legislation to include these leases.
- Costs related to maintenance, repair, and other direct costs related to the day-to-day servicing of property, plant, and equipment assets, determined on the basis of maintenance and repair costs. The related expense items can be found on various lines in the annual consolidated statement of profit or loss and other comprehensive income, including costs of materials (note 305 Costs of Materials), and costs of external services (Note 31: Costs of External Services). Including building renovation costs.

This does not include costs associated with the day-to-day operation and maintenance of the property, plant, and equipment assets, such as: raw materials, costs of employees working with the assets, electricity, and others that are necessary for the operation of these assets.

01.05.2023

Tsvetan Alexiev /Executive Director/
Digitally signed by Tsvetan Borisov Alexiev
Date: 2023.05.01 13:38:12 +03'00'