



Sirma

Interim Consolidated Management Report

of "Sirma Group Holding" JSC
for Q3 2023

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

The present interim consolidated management of “Sirma Group Holding” JSC covers the period, ending on 30 September 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 Article 12 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 interim consolidated financial statements as at 30 September 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 interim 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 interim 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 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 interim 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 30.09.2023. 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.

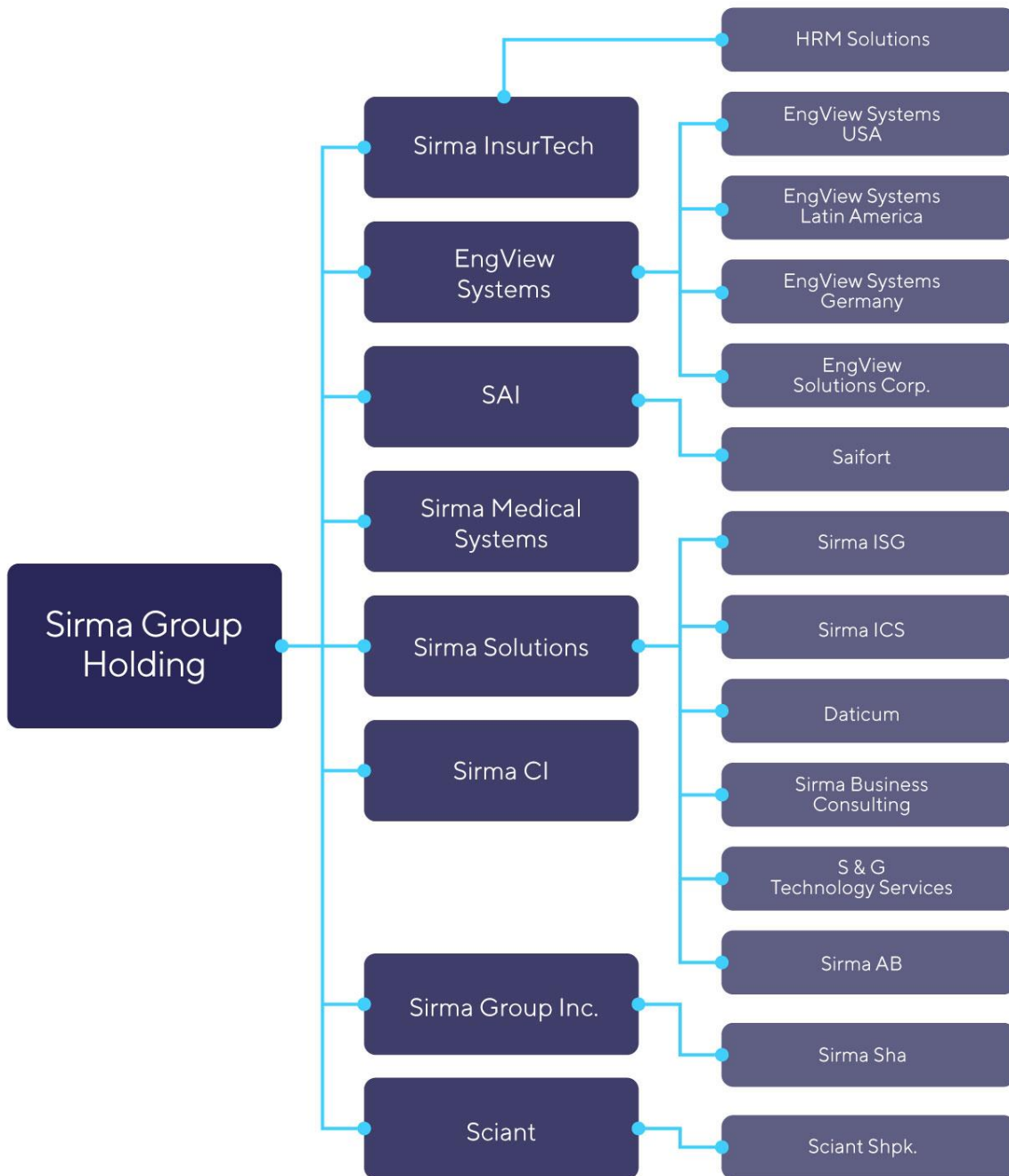


2 ORGANIZATION AND WAY OF PRESENTATION

“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 company's top priorities.



History and development of the company

"Sirma Group Holding" JSC is a holding company registered on 25.04.2008 at the Registry Agency with UIC 200101236, 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 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 holds, finance of companies in which the company participates, organization of accounting and compiling financial statements under the law of accounting. the company may perform independent business activities which are not prohibited by law.

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 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 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;

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

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.

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

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 30.09.2023 the distribution of the share capital of Sirma Group Holding is as follows:

	30.09.2023 (BGN '000,%)	30.06.2023 (BGN '000,%)
Share capital	59 361	59 361
Number of shares (par value of 1 BGN)	59 360 518	59 360 518
Total number of registered shareholders	1 043	1 057
Including legal entities	39	40
Including Individuals	1 004	1 017
Number of shares held by legal entities	6 942 645	6 266 266
% of capital of legal entities	11,70%	10,56%
Number of shares held by individuals	52 417 873	53 094 252
% of capital held by individuals	88,30%	89,44%



Shareholders	Number of shares at 30.09.2023	Number of shares at 30.06.2023	Nominal VALUE (BGN)	Value (BGN)	% Shareholding	% of voting rights*
Georgi Parvanov Marinov	5 380 748	5 380 748	1	5 380 748	9,06%	9,32%
Tsvetan Borisov Alexiev	4 965 753	4 965 753	1	4 965 753	8,37%	8,60%
Chavdar Velizarov Dimitrov	4 750 786	4 750 786	1	4 750 786	8,00%	8,23%
Veselin Antchev Kirov	4 700 786	4 700 786	1	4 700 786	7,92%	8,14%
Ognyan Plamenov Chernokozhev	3 741 620	3 741 620	1	3 741 620	6,30%	6,48%
Ivo Petrov Petrov	3 531 992	4 013 920	1	3 531 992	5,95%	6,12%
Krasimir Nevelinov Bozhkov	2 534 161	2 534 161	1	2 534 161	4,27%	4,39%
Vladimir Ivanov Alexiev	2 177 583	2 177 583	1	2 177 583	3,67%	3,77%
Rosen Vasilev Varbanov	2 156 687	2 156 687	1	2 156 687	3,63%	3,73%
Emiliana Ilieva Ilieva	1 985 209	1 985 209	1	1 985 209	3,34%	3,44%
Deyan Nikolov Nenov	1 790 748	1 790 748	1	1 790 748	3,02%	3,10%
Atanas Kostadinov Kiryakov	1 487 524	1 487 524	1	1 487 524	2,51%	2,58%
Yavor Liudmilov Djonev	1 292 746	1 292 746	1	1 292 746	2,18%	2,24%
Rosen Ivanov Marinov	1 265 795	1 265 795	1	1 265 795	2,13%	2,19%
Advance Invest	971 345	411 895	1	971 345	1,64%	1,68%
Peter Nikolaev Konyarov	872 803	872 803	1	872 803	1,47%	1,51%
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%	1,29%
Asen Krumov Nelchinov	641 349	641 349	1	641 349	1,08%	1,11%
Others	12 703 721	12 781 243	1	12 703 721	21,40%	19,22%
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 30.09.2023 the total amount of repurchased own shares in the Group is 1 603 346 shares (2,70 % of share capital of "Sirma Group Holding" JSC) in the amount of BGN 1 589 295,50 distributed as follows:

- "Sirma Group Holding" JSC holds 1 570 407 (30.06.2022: 1 539 746) repurchased own shares at the total amount of BGN 1 570 407. On 25.01.2023 the company purchased 1 398 900 own shares at an average price of BGN 0,71 per share, for a total value of BGN 993 219. 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. 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. 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 at a total price of BGN 21 462,70.
- "SAI" AD ("Ontotext" AD) 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.
- "Sirma Solutions" AD 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 30.09.2023	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 380 748	9,06%	9,32%
Tsvetan Borisov Alexiev	4 965 753	8,37%	8,60%
Chavdar Velizarov Dimitrov	4 750 786	8,00%	8,23%
Veselin Antchev Kirov	4 700 786	7,92%	8,14%
Ognyan Plamenov Chernokozhev	3 741 620	6,30%	6,48%
Ivo Petrov Petrov	3 531 992	5,95%	6,12%

Shareholders	Number of shares at 30.06.2023	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 380 748	9,06%	9,31%
Tsvetan Borisov Alexiev	4 965 753	8,37%	8,59%
Chavdar Velizarov Dimitrov	4 750 786	8,00%	8,22%
Veselin Antchev Kirov	4 700 786	7,92%	8,13%
Ivo Petrov Petrov	4 013 920	6,76%	6,95%
Ognyan Plamenov Chernokozhev	3 741 620	6,30%	6,47%

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 has a one-tier management system - Board of Directors.

The Board of Directors as of 30.09.2023 includes the following members:

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



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.

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. Investment and Risk Committee, composed of:
 <i>Yordan Nedev – chairman</i>
 <i>Tsvetan Alexiev – member</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

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

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

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

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

The participation of members of the board of directors in the capital of the company is as follows:

Shareholders	Number of shares at 30.06.2023	Number of shares at 31.03.2023	Nominal VALUE (BGN)	Value (BGN)	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 380 748	5 380 748	1	5 380 748	9,06%	9,32%
Tsvetan Borisov Alexiev	4 965 753	4 965 753	1	4 965 753	8,37%	8,60%
Chavdar Velizarov Dimitrov	4 750 786	4 750 786	1	4 750 786	8,00%	8,23%
Veselin Anchev Kirov	4 700 786	4 700 786	1	4 700 786	7,92%	8,14%
Atanas Kostadinov Kiryakov	1 487 524	1 487 524	1	1 487 524	2,51%	2,58%
Yavor Ludmilov Djonev	1 292 746	1 292 746	1	1 292 746	2,18%	2,24%
Martin Veselinov Paev	126 720	126 720	1	126 720	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	22 708 596	22 708 596		22 708 596	38,26%	39,32%

During the period there were no changes in the participation of the members of the BD in the capital of the company.



Remuneration under CMC of the members of the Board of Directors of "Sirma Group Holding" JSC:

Board Member	Company	Sums for the period 01.01.2023 - 30.09.2023
		(BGN)
Atanas Kostadinov Kiryakov	EngView Systems Sofia	(450)
	Sirma Group Holding	(15 660)
	SAI (Ontotext)	(46 630)
	Sirma Solutions	(4 500)
Veselin Anchev Kirov	Sirma Group Holding	(15 660)
Georgi Parvanov Marinov	EngView Systems Sofia	(93 300)
	Sirma Business Consulting	(4 500)
	Sirma Group Holding	(15 660)
	SAI (Ontotext)	(760)
Yordan Stoyanov Nedev	Sirma Group Holding	(15 660)
	SAI (Ontotext)	(760)
Martin Veselinov Paev	Sirma Group Holding	(15 660)
Peyo Vasilev Popov	Sirma Group Holding	(15 660)
Tsvetan Borisov Alexiev	Sirma Group Holding	(136 530)
	Sciant	(2 500)
	EngView Systems Sofia	(450)
	Sirma Business Consulting	(9 000)
	Sirma Solutions	(160 792)
	Sirma Medical Systems	(900)
Chavdar Velizarov Dimitrov	Sirma Group Holding	(15 660)
	Sirma Group Holding	(15 660)
Yavor Ludmilov Djonev	Sirma Group Holding	(15 660)
Total		(586 352)

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 30.09.2023 (in BGN'000)	Percentage of capital at 30.09.2023	Percentage of voting rights* at 30.09.2023	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	39 686	80,11%	100,00%	39 686	80,11%	100,00%	-
SAI (Ontotext)	17 865	84,56%	100,00%	17 865	84,56%	100,00%	-
Sciart	14 076	100,00%	100,00%	10 237	80,00%	80,00%	3 839
Sirma Group Inc, USA	3 471	76,30%	76,30%	3 471	76,30%	76,30%	-
Sirma InsurTech	914	55,00%	55,00%	914	55,00%	55,00%	-
Sirma CI	106	80,00%	80,00%	106	80,00%	80,00%	-
Sirma Medical Systems	66	66,00%	66,00%	66	66,00%	66,00%	-
Engview Systems	50	72,90%	72,90%	50	72,90%	72,90%	-

*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 30.09.2023 (in BGN'000)	Percentage of capital at 30.09.2023	Value of the investment at 31.12.2022 (in BGN'000)	Percentage of capital at 31.12.2022	Changes (in BGN'000)
Sirma Business Consulting	1 374	54,08%	1 374	54,08%	-
Daticum	1 359	59,09%	1 394	60,50%	(35)
Sirma ICS	279	93,00%	270	90,00%	9
S&G Technology Services Ltd., UK	117	51,00%	117	51,00%	-
Sirma AB	9	100,00%	-	-	9
Sirma ISG	4	71,00%	4	71,00%	-

Subsidiaries of "EngView Systems Sofia"

Company	Value of the investment at 30.09.2023 (in BGN'000)	Percentage of capital at 30.09.2023	Value of the investment at 31.12.2022 (in BGN'000)	Percentage of capital at 31.12.2022	Changes (in BGN'000)
EngView Systems Germany	235	100%	235	100%	-
EngView Systems USA	190	100%	190	100%	-
EngView Systems Latin America, Brazil	7	95%	7	95%	-
EngView Solutions Corp., Canada	-	95%	-	-	-



Subsidiaries of Sirma Group Inc.

	Value of the investment at 30.09.2023	Percentage of capital at 30.09.2023	Value of the investment at 31.12.2022	Percentage of capital at 31.12.2022	Changes
Company	BGN '000		BGN '000		BGN '000
Sirma Sha, Albania	25	55%	25	55%	-

Subsidiaries of "Sciant"

	Value of the investment at 30.09.2023	Percentage of capital at 30.09.2023	Value of the investment at 31.12.2022	Percentage of capital at 31.12.2022	Changes
Company	BGN '000		BGN '000		BGN '000
Sciant Shpk. (ReSolutions), Albania	256	100%	256	100%	-

Subsidiaries of "Sirma InsurTech"

	Value of the investment at 30.09.2023	Percentage of capital at 30.09.2023	Value of the investment at 31.12.2022	Percentage of capital at 31.12.2022	Changes
Company	BGN '000		BGN '000		BGN '000
HRM Solutions	150	100%	150	100%	-

Subsidiaries of "SAI"

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 (BGN 340), divided into 10 000 shares (BGN 340), divided in 10 000 shares. "SAI" AD owns 70% of the capital.

Associated companies of "Sirma Solutions"

	Value of the investment at 30.09.2023	Percentage of capital at 30.09.2023	Value of the investment at 31.12.2022	Percentage of capital at 31.12.2022	Changes
Company	BGN '000		BGN '000		BGN '000
Sirma AI	-	-	20 511	23,80%	(20 511)

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 Q3 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 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

Slowing economic growth, mainly driven by Asia, declining but persistent inflation and remaining elevated risks to global development in 2023/2024, as well as worsening expectations for 2024.

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

All forecasts suggest that the economic growth of the All forecasts suggest that the economic growth of the Bulgarian economy to be sustained in 2023 as well, albeit at a slower pace /GDP growth in 2022 was 3.4%/. Despite this "unanimity", the expected GDP growth in 2023 varies widely



(from 1% to 1.9% GDP growth in 2023 and from 2% to 3.8% growth in 2024):

- BNB expects a slow growth of 1% due to the difficult growth of other European countries ("[Macroeconomic Forecast](#)", [BNB, June 2023](#)). BNB expects growth to accelerate to 3.2% in 2024 and 4% in 2025;
- The Vienna Institute for International Economic Studies ([Bulgaria-Overview, September 2023](#)) expects growth of **1.3% in 2023**, 2% in 2024 and 2.5% in 2025,
- The European Commission expects a slow growth of **1.5%** as a result of
 - contraction of exports and ban on the export of petroleum products extracted from Russian oil by Lukoil, Burgas ("[Economic Forecast for Bulgaria](#)", [European Commission, May 2023](#));
 - reduced domestic consumption as a result of rising interest rates on loans;
- EBRD ([Bulgaria Overview, EBRD, September 2023](#)) expects a narrow growth of **1.6% in 2023**, which will accelerate slightly to 2.6% in 2024;
- The OECD expects a growth of **1.9%** due to a slowdown in the growth of Bulgaria's main economic partners, the delayed absorption of funds from the Recovery Plan and reduced domestic consumption ("[Bulgaria, Economic Snapshot](#)", [June 2023](#));
- Unicredit ([SeeNews, October 3, 2023](#)) updated its forecasts for the development of the Bulgarian economy and expects **1.9% growth in 2023** and 3.8% in 2024.

The wide differences in the expected economic development of the country in 2023 are an indicator of the increased risks facing the Bulgarian economy, as well as the high uncertainty regarding the economic development of Bulgaria's economic partners - mainly the EU countries.

The risks to the development of the Bulgarian economy in 2023, according to the above analysis of the Bulgarian economy (some of which are already materializing), are:

- Escalation of the war in Ukraine;
- Postponing the implementation of investment projects and maintaining the negligible investments in the economy from the last 3 years;
- Return to political instability;
- Inflation and rising interest rates on loans;
- Erosion of consumers' purchasing power and contraction of domestic consumption;

- Recession in some of the major trading partners (Germany) and a decrease in Bulgaria's exports to them;
- Increase in the prices of energy sources;
- Slow rate of absorption of funds under European programs;
- Delayed implementation of the National Recovery Plan;
- Higher-than-expected inflation, as a result of prolonged retention of high prices of energy sources.

The OECD expects that after the slowdown in growth in Bulgaria in 2023, GDP will accelerate its growth in 2024, reaching 3.2%. The driving forces behind this will be the increased demand in Europe, which will stimulate Bulgarian exports, as well as the strengthening of investments supported by European funding.

Inflation in Bulgaria ([National Statistical Institute](#)) slowed to 7.7% in August 2023 from 8.5% in July, reaching its lowest level since November 2021. Prices primarily eased for food & non-alcoholic beverages (12.4% vs 13.5% in July), housing & utilities (0.6% vs 6.2%), entertainment & culture (13.6% vs 14.6%), furnishings & household equipment (6.8% vs 8.5%) and miscellaneous goods & services (11.9% vs 14%). Meanwhile, transport costs decreased less (-4.2% vs -11.8%). Conversely, inflation rose for health (14% vs 13.3%) and education (10.5% vs 10.4%). On a monthly basis, the CPI advanced 0.4%, following a 0.9% reading in the previous month.

The inflation rate in Bulgaria is expected to be 7.50% by the end of 2023. Although falling it will persist well above the BNB target levels in the next couple of years: in the near-term, the Bulgaria's inflation rate is projected to trend around 5.00% in 2024 and 3.70% in 2025.

The European Commission expects inflation in Bulgaria to be under control in 2023, albeit at relatively high levels of 9.4% on an annual basis for 2023 and 4.2% in 2024. The full normalization of inflation in Bulgaria is expected to occur in 2025, along with the country's accession to the Eurozone.

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

After stronger-than-expected global economic growth at the start of 2023 as seen by the OECD ([OECD Economic Outlook, September 2023](#)), economic development is stalling, and this slowdown is expected to continue through 2024. Expected global growth in **2023** has been adjusted to **3%** (0.3% more than the forecasts from July 2024) and **2.7% for 2024** (0.2% less than the forecasts from July 2023). 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, bring with them a contraction in both business and consumer consumption. Accordingly, growth in the US is expected to slow from 2.2% in 2023 to 1.3% in 2024. In the Eurozone, where demand has already contracted (in 2023), economic growth is expected to be 0.6% in 2023 and recover slightly to 1.1% in 2024.

Inflation is expected to moderate in 2023 and 2024, but still remains above the target levels sought by central banks. The OECD forecasts a contraction of headline inflation (inflation that includes food and fuel in its basket) in the G20 countries to 6% in 2023 and 4.8% in 2024, while core inflation (excluding food and fuels) is expected to contract from 4.3% in 2023 to 2.8% in 2024.

The recovery to inflation levels ([Gartner, April 6, 2023](#)) that are close to the historical ones for different countries is expected to occur at an uneven pace. The forecast for this in the large European economies (France and Germany) is expected to be as far as 2025.

Although the OECD forecasts in September 2023 are more optimistic than those at the end of 2022, risks to the world's economic development still remain. Such risks are:

- escalation of Russia's war in Ukraine;
- increasing debt difficulties due to high interest rates and slow growth;
- potential sustainability of inflation and the related need to maintain high interest rates for a longer period;
- stronger-than-expected contraction of the Chinese economy, deepening deflation and contraction of domestic consumption, sales problems in the Chinese property market that generate liquidity and/or risk of debt defaults;
- deepening of the geopolitical fragmentation that began in 2022;
- escalation of the war between Israel and Hamas to a regional conflict;
- a possible return of energy and/or food shortages and the resulting rise in prices;
- extreme climatic events.

The IMF ([World Economic Output, October 2023](#)) almost duplicates the OECD's forecasts by providing a detailed breakdown of expected economic development by groups of countries.

The slowdown in **growth of advanced economies** is expected to be sharper, falling from 2.6% in 2022 to 1.4% in 2024. Central banks in advanced economies have sharply increased key interest rates in 2023. This measure, designed to fight inflation, is also contributing to the slowdown of the economy.

GDP growth in **emerging economies** is also slowing, from 4.1% in 2022 to 4.0% in 2023 and 2024 - well below the average of 4.8% over the period 2011-2019.

The IMF's expectations for the development of the various regions of the world range widely, with the forecast for 2024 falling relative to the anticipated growth from the middle of the year.

The development of the world economy is moving in the exact opposite direction to inflation. GDP growth has contracted sharply since the start of 2022 and is expected to remain at relatively low levels (lower than the average of the last 10 years), in contrast to inflation, which has set records for its increase in 2022 and stubbornly held at high levels in 2023.

The realization that the slowdown in economic development will persist in 2023 and 2024, directs enterprises to change their development strategies. If in recent years the increase in turnover was the main goal, now they are redirecting their efforts to control and increase of the margins of their sales.

The European Commission (European Economic Forecast, September 2023) also revised down its forecasts for the development of the European economy (compared to expectations in the spring). The EU economy continues to grow, albeit with reduced momentum. The forecast revised EU GDP growth down to 0.8% in 2023 from 1% forecast in the spring forecast and 1.4% in 2024 from 1.7%. The EC also cut expectations for euro area growth to 0.8% in 2023 (from 1.1%) and 1.3% in 2024 (from 1.6%).

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 6.7% in the spring) and 3.2% in 2024 (compared to 3.1%) in the EU. Eurozone inflation is expected to be 5.6% in 2023 (compared with 5.8%) and 2.9% in 2024 (compared with 2.8%).

As the main reason for the delayed economic development of the EU, the EC points to the contracted domestic consumption as a result of inflation and increased prices, as well as the reduced economic activity using significantly less credit resources, as a result of the rising interest rates in the summer of 2023.

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 of the third quarter of 2023, Gartner also revised its forecasts for the development of the ICT market in 2023 ([Gartner, October, 2023](#)). 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% from the middle of the year), the "Devices" segment is shrinks 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 mid-year forecast of 8.8%) in 2024 and commensurate growth on 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		2,94,693,556	3.5	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.

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.

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.

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. This dynamic is expected to increase the sector to USD 6 trillion in 2027.

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).

5.3. Additional information for Q3 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.

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%.

For all employees of the Group, 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 Group'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 Group'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 Group

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 Q3 2023

The following events and business news took place in Q3 2023:

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 30.06.2022

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 Q3 2023

Transactions with shares for the period 01.01.2023 – 30.09.2023:

- 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.

- 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.

- 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.

- **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 shares from the capital of "Sirma AI" AD, which were owned by the subsidiary company "Sirma Solutions" AD, were finalized, according to the decision of the General Meeting of Shareholders of the majority owner "Sirma Group Holding" JSC, held on 15.02.2023, as follows:

- Subsidiary whose shares are subject to disposal: "Sirma AI" AD;
- Subsidiary company owner of the minority share package: „Sirma Solutions“ AD;
- Size of the minority package subject to disposal: 23.80% of the capital of "Sirma AI" AD;
- Transaction value: EUR 9 460 000;
- Buyers of shares:

Purchaser	Type of Shares	Number of Shares	Purchase Price Distribution (EUR)
European Bank for Reconstruction and Development, an international financial institution having its headquarters at Five Bank Street, London E14 4BG, United Kingdom ("EBRD")	Common	1 179 908	6 960 000
	Class A	226 974	
OTX-Partner Korlatolf Felelossegu Tarsasag, a Hungarian limited liability company with registration number 01-09-410198 and having its registered address at 53 Alkotás utca, MOM Park C épület V. emelet, 1123 Budapest, Hungary ("PortfoLion")	Common	338 946	2 000 000
	Class A	65 201	
Atanas Kostadinov Kiryakov, Member of the Board of Sirma Group Holding JSC, Bulgaria;	Common	84 905	500 000
	Class A	16 333	
Total:		1 912 267	9 460 000

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

- **Complete purchase of the company "Sciant 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 - "Sciant" AD was concluded as follows:

- Subsidiary whose shares are subject to redemption: "Sciant" AD;
- Company that buys the shares: "Sirma Group Holding" JSC;
- Size of the minority package object of purchase: 22.20% of the capital of "Sciant" 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 "Sciant" AD.



- **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" AD - "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 – 30.09.2023:

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

Other legal information for the period 01.01.2023 – 30.09.2023:

- **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 "Sciant" AD - a subsidiary of "Sirma Group Holding" JSC**

On 28.02.2023 "Sciant" 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 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 "Sciant" AD**

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

5.6 Information for contracted large transactions in Q3 2023

In Q3 2023, the Group made several large contracts with customer and subcontracts, in connection with the new strategy of the Group:

Purchases:

- Deal 1 for BGN 7 208 thousand
- Deal 2 for BGN 2 391 thousand
- Deal 3 for BGN 1 783 thousand

Sales:

- Deal 1 for BGN 8 195 thousand
- Deal 2 for BGN 4 196 thousand
- Deal 3 for BGN 2 684 thousand

5.7 Information of the used financial instruments in Q3 2023

In Q3 2023 the company has not used any financial instruments.

5.8 R&D activity of the company in Q3 2023

The strategy for growth and development of the 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. Implementation of this process started in 2018.

The total value of the investments made in research and development in Q3 2023 amounts to BGN 1 832 thousand.

5.9 Possible future development of the company

The forecasts for the development of the Information and Communication Technologies sector in 2023 and the following years are a function of the expected development of the health crisis, as well as of the 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.

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.

The Group reports liabilities on loans received. The Group does not expect its revenue to shrink to such an extent that it will affect its ability to repay its current borrowings.

5.10 Contracts under Art.240b of the Commerical Code in Q3 2022

During Q3 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.



6 RESULTS BY COMPANY

DATICUM

- <https://www.daticum.com/>
- **Daticum JSC is a subsidiary of Sirma Solutions AD**
- **Capital:** BGN 2 302 049 divided into 2 302 049 registered materialized shares with a nominal value of BGN 1 with the right to vote, the right to dividend and a liquidation share according to the participation in the capital. Sirma Solutions JSC holds 1 360 211 shares or 59,09% 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 Q3 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.
- 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 Q3 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.

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.

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.
- Data Lab startup chose Daticum as cloud service provider.



Business development in Q3 2023 and realization of the plan

- The company's revenues from services in Q3 2023 exceed those in Q3 2022 by almost 16%.
- The company's profit in Q3 2023 is by 32% higher than in Q3 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.

Perspectives and forecasts for 2023

The war in Ukraine and its adverse economic consequences concerning the prices of fuels, electricity and hardware equipment further aggravate the global economic crisis.

The crisis with rising electricity prices will continue to negatively affect our services, especially in the colocation part.

More than 14% growth of the main revenues for 2023 is set.

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

We expect the investments made in equipment and software to have their effect towards the end of 2023.

FINANCIAL RESULTS

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues	2 460	2 594	(134)	(5,17%)
EBITDA	1 045	840	205	24,40%
Depreciation	(233)	(223)	(10)	4,48%
Net Result	803	609	194	31,86%
EBITDA margin	42,48%	32,38%	10,10%	31,18%
Net Profit margin	32,64%	23,48%	9,17%	39,04%
Sales per share	1,0686	1,1268	(0,06)	(5,17%)
EPS	0,3488	0,2646	0,084	31,86%
ROE	0,2406	0,1871	0,054	28,62%
Total Assets	3 951	4 090	(139)	(3,40%)
Intangibles	1 493	281	1 212	431,32%
Book value	1 844	2 974	(1 130)	(38%)
Equity	3 337	3 255	82	2,52%
Total Liabilities	614	835	(221)	(26,47%)
Interest bearing	308	429	(121)	(28,21%)
D/E	0,1840	0,2565	(0,07)	(28,27%)
ROA	0,2032	0,1489	0,054	36,49%

SIRMA SOLUTIONS

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

Sirma Solutions has developed organically, thanks to the unique combination of innovative spirit, solid technology expertise and business flair.

SIRMA SOLUTIONS IN 2023:

General information

"Sirma Solutions" AD 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 Holding AD. Since its inception,

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 AD 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 Q3 2023

General

Despite the forecasts for the growth of the ICT market in 2023, a large number of users are concerned due to the numerous risks facing economic growth. This is the reason behind the slowdown, postponement or complete termination of orders in the sector. Despite this stagnation in 2023, Sirma Solutions AD managed to increase its sales revenue by 27.23% compared to Q3 2022.

From the beginning of 2023, the administrative fees that Sirma Solutions AD pays monthly to Sirma Group Holding JSC were greatly increased. They are now a function of sales volume. 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 also led to a loss for the company in the first quarter of 2023, despite the increased revenues. The increase in the prices of the products and services of "Sirma Solutions" AD and sustainability of the increased sales should compensate for this lag during the year.

Market in North America

Over the years, Sirma Solutions has managed to build an excellent name on the market for software services in the United States, as the teams in Bulgaria and the United States manage to deliver them efficiently and on time without a failed project. This leads to a high percentage of loyal, sustainable businesses (over 80%). We believe that our

existing contracts are low- to medium risk for continuity, or in other words, we do not expect existing customers to change our services with other competing companies.

Sirma maintains and develops its position in the American market. The increase in the prices of our services, which we carried out in 2022, remains sustainable in 2023. The reduced economic growth, however, is reflected in the reduction of orders to Sirma Solutions JSC. Increased competition for the shrinking customer pool has been a challenge for new business in the year so far. Respectively meeting the annual goals for the American division will be challenging.

In the first nine months of the year, work continues 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" JSC in the first half of the year amounted to 14.7% 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, and fears of a more massive crisis to come. It is the financial sector that is postponing or completely canceling its plans for digital development in 2023.

Despite the trend described above, the unit responsible for the business in Europe almost managed to achieve its sales targets.

During the nine months of 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;
- 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.

The share of revenues from North America is 14.6%. The Bulgarian market remains predominant for the company, accounting for 73.6% of the realized sales during the nine months of the year. The remaining share is split almost evenly between the UK (5.4%) and the rest of Europe (6.25%).

Public sector

The number of new projects in the Public Sector during the nine months of 2023 was not large. The main reason can be the political instability in the country and, accordingly, the lack of development in the Bulgarian public and municipal sectors.

However, in the public sector, during the nine months of 2023, a few new contracts were struck and work 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.

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.

With the formation of the regular working Government by the Bulgarian parliament in Q2, and finalizing the municipal elections in October there is a potential for the public sector to receive some stimulation in 2024.

System integration

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

- Cisco Systems
- Palo Alto Networks
- Oracle

During the nine months of 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;
- 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.

In the nine months of 2023, Sirma Solutions JSC 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 the first half of 2023 grew slightly compared to 2022, the sale of hardware marked a growth of 24% for the same period last year.

FINANCIAL RESULTS

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues	33 286	32 025	1 261	3,94%
EBITDA	41	6 070	(6 029)	(99,32%)
Depreciation	(1 402)	(1 327)	(75)	5,65%
Net Result	(891)	(910)	19	(2,09%)
EBITDA margin	0,12%	18,95%	(18,83%	(99,35%)
Net Profit margin	(2,68%)	(2,84%)	0,16%	(5,80%)
Sales per share	0,9411	0,9054	0,04	3,94%
EPS	(0,0252)	(0,0257)	0,001	(2,09%)
ROE	(0,0252)	(0,0255)	0,0003	(1,31%)
Total Assets	45 455	52 717	(7 262)	(13,78%)
Intangibles	4 865	5 867	(1 002)	(17,08%)
Book value	30 541	29 819	722	2,421%
Equity	35 406	35 686	(280)	(0,78%)
Total Liabilities	10 049	17 031	(6 982)	(41%)
Interest bearing	-	3 678	(3 678)	(100%)
D/E	-	0,1031	(0,1031)	(100%)
ROA	(0,0196)	(0,0173)	(0,0023)	13,55%



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 Sirma Group in the field of insurance.

Conditions for the business development in Q3 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

Shares:

- **Ordinary Shares, Number: 396 000, Nominal: BGN 1.**
- **"Sirma Group Holding" JSC owns 87,65% of the capital of the company.**

extremely large share in insurance companies, due to the specifics of each individual 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 Q3 2023 and realization of the investment plan

In Q3 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 Zhivot.
- Partnership contracts were signed 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, Grupama Bulgaria, Unicredit Bulbank.

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.

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

- **Share Capital: BGN 150 000**

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 Q3 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.

Perspectives and forecasts for 2023

The company relies on the volumes generated by existing customers (Vienna Insurance Group) as well as the acquisition of new ones made possible after the acquisition by Sirma. The company is in advanced talks with Lev Ins and Grupama Insurance in Bulgaria. Contacts have also been made to start a partnership with Infosys. Two campaigns were conducted and potential customers were targeted. Offers were prepared and sent to: Videnov Furniture, Matrax, Kamarton.

Shares:

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

Business development in Q3 2023 and realization of the investment plan

In Q3 2023, HRM Solutions continued to fulfill its strategic goals:

- 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.



FINANCIAL RESULTS

Sirma Insurtech

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues	2 275	1 829	446	24,38%
EBITDA	48	(87)	135	n/a
Depreciation	(78)	(78)	-	-
Net Result	(47)	(173)	126	(72,83%)
EBITDA margin	2,11%	(4,76%)	6,87%	n/a
Net Profit margin	(2,07%)	(9,46%)	7,39%	(78,16%)
Sales per share	5,7449	4,6187	1,13	24,38%
EPS	(0,1187)	(0,4369)	0,318	(72,83%)
ROE	(0,5465)	(1,2910)	0,745	(57,67%)
Total Assets	2 033	1 653	380	22,99%
Intangibles	732	456	276	60,53%
Book value	(646)	(322)	(324)	100,62%
Equity	86	134	(48)	(35,82%)
Total Liabilities	1 947	1 519	428	28,18%
Interest bearing	290	277	13	4,69%
D/E	3,3721	2,0672	1,3049	63,13%
ROA	(0,0231)	(0,1047)	0,0815	(77,91%)

HRM Solutions

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues	325	205	120	58,54%
EBITDA	56	116	(60)	(51,72%)
Depreciation	(43)	(41)	(2)	4,88%
Net Result	8	71	(63)	(88,73%)
EBITDA margin	17,23%	56,59%	(39,35%)	(69,55%)
Net Profit margin	2,46%	34,63%	(32,17%)	(92,89%)
Sales per share	2,17	1,37	0,80	58,54%
EPS	0,0533	0,4733	(0,42)	(88,73%)
ROE	0,0755	0,7245	(0,65)	(89,58%)
Total Assets	1 033	910	123	13,52%
Intangibles	807	810	(3)	(0,37%)
Book value	(701)	(712)	11	(1,54%)
Equity	106	98	8	8,16%
Total Liabilities	927	812	115	14,16%
D/E	8,75	8,29	0,46	5,55%
ROA	0,0077	0,0780	(0,07)	(90,07%)



ENGVIEW SYSTEMS SOFIA

- **EngView Systems Sofia JSC is a daughter 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 Sofia JSC is a joint-stock company, member of Sirma Group, with main activity - development of software products.

EngView Systems in Q3 2023

Conditions for business development in Q3 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.

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

The nine months of 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 Q3 2023

In Q3 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.

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 the second quarter of 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 2023

Revenues are expected to increase on an annual basis in 2023. There is a moderate investment interest in all niches and industries in which the company operates, but nevertheless, EngView is working to successfully position and increase sales of its products in which it has invested in recent years.



FINANCIAL RESULTS

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues	2 973	2 659	314	11,81%
EBITDA	798	806	(8)	(0,99%)
Depreciation	(614)	(596)	(18)	3,02%
Net Result	160	216	(56)	(25,93%)
EBITDA margin	26,84%	30,31%	(3,47%)	(11,45%)
Net Profit margin	5,38%	8,12%	(2,74%)	(33,75%)
Sales per share	43,0870	38,5362	4,55	11,81%
EPS	2,3188	3,1304	(0,81)	(25,93%)
ROE	0,0360	0,0413	(0,01)	(12,68%)
Total Assets	5 868	5 954	(86)	(1,44%)
Intangibles	3 784	3 440	344	10,00%
Book value	656	1 794	(1 138)	(63,43%)
Equity	4 440	5 234	(794)	(15,17%)
Total Liabilities	1 428	720	708	98,33%
Interest bearing	204	287	(83)	(28,92%)
D/E	0,0459	0,0548	(0,009)	(16,21%)
ROA	0,0273	0,0363	(0,009)	(24,84%)

SIRMA BUSINESS CONSULTING

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

Sirma Solutions holds 1 077 048 pcs. 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 Q3 2023

The realized revenue for the first quarter is significantly better compared to the same period in 2022. While the 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 of the company's current projects and unfulfilled joint commitments with customers for delivery.

In any case, 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.

Regional and international factors, influencing the business of the company

Macro environment

The development of the financial market in Bulgaria in 2023 will depend on many factors, both internal and external to the country. Among them are the economic crisis in Europe, political instability in the region and the country, energy security and unclear plans for the country's accession to the Eurozone. According to financial analyses, Bulgaria is on the verge of a severe financial blow due to 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, which in turn affect inflation internationally. In addition, Bulgaria will have to deal with pressure from international organizations to limit arms exports from the Rose Valley, which is an important source of foreign exchange for the country.

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.

Bulgaria will very quickly either resume actions to join the Eurozone (by fulfilling the convergence criteria) or postpone the process indefinitely. All this depends on the possibility of forming a regular government. In conclusion, the financial market in Bulgaria in 2023 will be challenging and require

adaptation and reforms, which also implies a limitation of investments in innovations and new projects.

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 Q3 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.

Within the first half of the year, SirmaBC has two new clients with two sales of its own solutions.



- Projects

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

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 in the scope of PSD2;
- Up2Pay - a payment software terminal that resides with a mobile application provider or as a Plug-in for a web site;
- Up2Seal - a portfolio for generating one-time passwords and codes, which also serves as an advanced electronic signature and provides SCA, which is within the meaning of the Payments Regulation.

- 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.

New versions of RepXpress and ceGate are planned for mid-2023.

Perspectives and forecasts for 2023

Despite some positive signals for the improvement of the economic climate and the relaxation of strict health and social restrictive measures, the stagnation and inertia of financial players does not suggest a quick recovery and revival of the market. The uncertain environment and redirection of part of the resources in the company to work for rent, makes it difficult to predict the financial framework and business development for 2023.

In the budgeted new revenues for the company, the share of revenues that 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, is increasing. In addition, increased revenue is expected from the new reporting frameworks being introduced.

The expected revenue growth in 2023 will catch up with the company's goals in a medium-term horizon of 2-3 years. The financial macro framework for the company will be in the range of BGN 5.2 million revenues and BGN 250 thousand EBITDA.

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

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues	4 251	2 832	1 419	50,11%
EBITDA	1 209	(620)	1 829	n/a
Depreciation	(302)	(222)	(80)	36,04%
Net Result	894	(791)	1 685	n/a
EBITDA margin	28,44%	(21,89%)	50,33%	n/a
Net Profit margin	21,03%	(27,93%)	48,96%	n/a
Sales per share	1,6736	1,1150	0,56	50,11%
EPS	0,3520	(0,3114)	0,66	n/a
ROE	0,2504	(0,2956)	0,55	n/a
Total Assets	5 711	4 577	1 134	24,78%
Intangibles	1 654	1 211	443	36,58%
Book value	1 916	1 465	451	30,78%
Equity	3 570	2 676	894	33,41%
Total Liabilities	2 141	1 901	240	12,62%
Interest bearing	83	105	(22)	(20,95%)
D/E	0,0232	0,0392	(0,016)	(40,75%)
ROA	0,1565	(0,1728)	0,33	n/a

SIRMA GROUP INC.

- <http://panatonsoftware.com/>
- Sirma Group Inc. is a subsidiary of Sirma Solutions

Business development in Q3 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

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues	4 972	5 755	(783)	(13,61%)
EBITDA	(707)	891	(1 598)	n/a
Depreciation	(3)	(5)	2	(40%)
Net Result	(718)	875	(1 593)	n/a
EBITDA margin	(14,22%)	15,48%	(29,70%)	n/a
Net Profit margin	(14,44%)	15,20%	(29,65%)	n/a
Sales per share	0,2304	0,2667	(0,04)	(13,61%)
EPS	(0,0333)	0,0406	(0,07)	n/a
ROE	(0,0854)	0,1158	(0,20)	n/a
Total Assets	11 101	9 768	1 333	13,65%
Intangibles	1 747	1 634	113	6,92%
Book value	6 660	5 923	737	12,44%
Equity	8 407	7 557	850	11,25%
Total Liabilities	2 694	2 211	483	21,85%
Interest bearing	83	19	64	336,84%
D/E	0,0099	0,0025	0,0074	292,67%
ROA	(0,0647)	0,0896	(0,154)	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 270 000 number of shares or 90% 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 Q3 2023

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 Q3 2023 and investment plan

In Q3 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, instead of relying on large one-off transactions which are more difficult to predict.
- 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

In the third quarter of 2023, 2 separate major projects with customers were launched.

Perspectives and forecasts for 2023

We anticipate development of the platform with new functionalities and integrations, we will make maximum efforts to retain customers and increase their satisfaction. Inclusion of Casco insurance product in 1 more insurance company and separately integration under Civil Liability insurance with another one for Sirma Insurance Enterprise.

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.

FINANCIAL RESULTS

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues	719	713	6	0,84%
EBITDA	123	137	(14)	(10,22%)
Depreciation	(75)	(69)	(6)	8,70%
Net Result	45	64	(19)	(29,69%)
EBITDA margin	17,11%	19,21%	(2,11%)	(10,97%)
Net Profit margin	6,26%	8,98%	(2,72%)	(30,27%)
Sales per share	2,3967	2,3767	0,02	0,84%
EPS	0,1500	0,2133	(0,06)	(29,69%)
ROE	0,0485	0,0725	(0,02)	(33,02%)
Total Assets	1 251	1 205	46	3,82%
Intangibles	878	915	(37)	(4,04%)
Book value	49	(32)	81	n/a
Equity	927	883	44	4,98%
Total Liabilities	324	322	2	0,62%
Interest bearing	75	111	(36)	(32,43%)
D/E	0,0809	0,1257	(0,045)	(35,64%)
ROA	0,0360	0,0531	(0,017)	(32,27%)

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 owns 80% of the capital.

Conditions for Business Development in 2023

The war in Ukraine does not seem to end anytime soon, bringing uncertainty for certain sectors. In addition, the war between Israel and Gaza also provides prerequisites for crisis situations and dynamics in the energy market in Europe, i.e. increasing the price of gas by 36% since November. However, positive expectations regarding the development of the economy and a problem-free winter 2023/2024 remain. This is a prerequisite for avoiding a recession and achieving growth in the economy and reducing inflation.

Despite the misunderstandings in the new government, no major upheavals are expected, but rather stabilization and calming in order to fulfill the set goals and our acceptance into Schengen.

The pace of economic growth was maintained in the third quarter.

Investment brokers are most positive, while commercial banks expect more of a slowdown going forward. These sentiments partly overlap with NSI's short-term business statistics for July. Demand for services and retail sales are expected to deteriorate over the next three months.

Expectations for industrial exports are also slightly lower. Only construction entrepreneurs have optimistic expectations for the activity.

Annual inflation in the country until June 2023 is 6.3% (according to NSI data), i.e. decreased compared to the previous year. Eurostat's forecasts are for average inflation in the Eurozone to be 6.1%, and for 2024 it is predicted to drop to 3.2%.

Compared to the previous quarter, unemployment was 4.4% for 2023, and according to the employment agency, it rose to 5.3% as of September.

Eurostat forecasts a growth in the Bulgarian GDP of 1.5% for 2023 and 2.4% for the next year 2024.

These are prerequisites for strengthening economic activities not only in the country, but also in the EU and the region.

Regardless of the current situation, we continue the adaptation of the business in the direction of income diversification from additional IT activities.

We continue to adapt the business to the new rules (digital transformation is everyday), 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 2023 our focus remains on the trends defined by Gartner and internal analysis of market demand and our customers.

We will maintain a focus on the need to provide services by our experts and work in collaboration with partners to develop and integrate our products, which leads to diversification and increased revenue. 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, ie. technological solutions that recognize speech, speech, language processing via AI. These are applied in chatbots
- Algorithmic sales, ie. 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
- Smart Check-Out
- 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 (item 5) are very up to date. Regarding the services that will be in demand in the next 2-3 years, we are already working on one of them.



We are actively continuing our partnering activities with US companies and plan to launch activities in Northern Europe for entry in the second quarter, maintaining 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. Update of a completely new solution for eCommerce (B2B and B2C), ie. the rewriting of our platform continues to develop according to a plan on a market basis. Fully focused on unified commerce trends, which will unite our implementation solutions for large retailers: e-shop, loyal mobile application program, chatbots, real-time behavior analysis system (SFS) and more.

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

FINANCIAL RESULTS

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues	710	1 212	(502)	(41,42%)
EBITDA	14	152	(138)	(90,79%)
Depreciation	(8)	(1)	(7)	700%
Net Result	3	150	(147)	(98%)
EBITDA margin	1,97%	12,54%	(10,57%)	(84,28%)
Net Profit margin	0,42%	12,38%	(11,95%)	(96,59%)
Sales per share	2,3667	4,0400	(1,67)	(41,42%)
EPS	0,0100	0,5000	(0,49)	(98%)
ROE	0,0196	1,0000	(0,98)	(98,04%)
Total Assets	534	432	102	23,61%
Intangibles	30	30	-	-
Book value	123	120	3	2,50%
Equity	153	150	3	2,00%
Total Liabilities	381	282	99	35,11%
ROA	0,0056	0,3472	(0,34)	(98,38%)

- RTS - real-time user behavior analysis system

- 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 2023

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.

Positive business development is expected to continue in 2023, because large companies are forced to digitize their processes, which preserves the interest in online sales, ie. the search for B2B and B2C solutions to generate direct sales with integrations to ERPs, virtual POSs, logistics solutions and others.

In 2023, we expect revenue growth to remain in the range of 20-35% compared to the previous year. The forecast for positive development in 2023 is based on long-term - current contracts that are in progress and development.



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 is expected to accelerate 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, continues 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 reporting period was spent planning the company's participation 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.

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, is coming

to an end. The new version will allow users to use the app for self-healing, independently, without the intervention of a supervising professional.

During this reporting period, 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.

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.

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

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

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues	211	209	2	0,96%
EBITDA	(151)	(21)	(130)	619,05%
Depreciation	(29)	(34)	5	(14,71%)
Net Result	(210)	(81)	(129)	159,26%
EBITDA margin	(71,56%)	(10,05%)	(61,52%)	612,23%
Net Profit margin	(99,53%)	(38,76%)	(60,77%)	156,80%
Sales per share	0,7033	0,6967	0,01	0,96%
EPS	(0,7000)	(0,2700)	(0,43)	159,26%
ROE	1,7797	(0,8804)	2,66	n/a
Total Assets	1 441	1 513	(72)	(4,76%)
Intangibles	1 259	1 284	(25)	(1,95%)
Book value	(1 377)	(1 192)	(185)	15,52%
Equity	(118)	92	(210)	n/a
Total Liabilities	1 559	1 421	138	9,71%
Interest bearing	252	250	2	0,80%
D/E	(2,14)	2,72	(4,85)	n/a
ROA	(0,1457)	(0,0535)	(0,0922)	172,21%



SCIANT

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

Sciant 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

Sciant provides software services in the following industries: Hospitality, Logistics and Transport, Finance and Banking. In 2022 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.

The company 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.

Sciant 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 he performs development, maintenance, optimization of web sites; development of internal platforms for management of various processes; 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 Sciant 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 1,150 at the end of the third quarter.
- During the past quarter, Saint's sales team visited the Hotel & Hospitality Expo in Saudi Arabia, 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 155 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.

New clients:

In Q3 2023, the company concluded new contracts the company concluded new contracts with Boston Consulting Group and Medplaya Management.

Important events:

The company is developing according to the plan. There are no extraordinary events that stand out against the planned actions.

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 Q3 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. To address this issue, the Company plans to open a new offices.

Perspectives and forecasts for 2023

The company plans to increase the number of employees by 10%. Planned growth will be a combination of organic growth plus acquisitions of companies with similar businesses.



FINANCIAL RESULTS

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues	11 156	10 069	1 087	10,80%
EBITDA	1 184	2 400	(1 216)	(50,67%)
Depreciation	(296)	(239)	(57)	23,85%
Net Result	832	2 148	(1 316)	(61,27%)
EBITDA margin	10,61%	23,84%	(13,22%)	(55,47%)
Net Profit margin	7,46%	21,33%	(13,87%)	(65,04%)
Sales per share	0,3154	0,2847	0,03	10,80%
EPS	0,0235	0,0607	(0,037)	(61,27%)
ROE	0,5514	0,9413	(0,390)	(41,42%)
Total Assets	4 654	4 268	386	9,04%
Book value*	1 509	2 282	(773)	(33,87%)
Equity	1 509	2 282	(773)	(33,87%)
Total Liabilities	3 145	1 986	1 159	58,36%
Interest bearing	327	533	(206)	(38,65%)
D/E	0,2167	0,2336	(0,0169)	(7,22%)
ROA	0,1788	0,5033	(0,3245)	(64,48%)

SAI (Ontotext)

"SAI" AD ("Ontotext" AD) 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" AD ("Ontotext" AD) 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 the beginning of 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) will follow the implementation of 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 Q3 2023

In the nine months of 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" AD and the companies of the group.

2.5 Hiring a sales consultant for the Turkey region

2.6 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.

2.7 Operation of the "Sirma Cyber Security Management Platform"

2.8 Renting an office and starting the activity of the Israeli company in the field of cyber security.

SIRMA GROUP HOLDING – individual financial results

	30.09.2023	30.09.2022/ 31.12.2022	Change BGN '000	Change %
Revenues*	4 328	12 877	(8 549)	(66,39%)
EBITDA	2 319	5 094	(2 775)	(54,48%)
Depreciation	(453)	(3 801)	3 348	(88,08%)
Net Result	1 482	1 000	482	48,20%
EBITDA margin	53,58%	39,56%	14,02%	35,45%
Net Profit margin	34,24%	7,77%	26,48%	340,94%
Sales per share	0,0729	0,2169	(0,14)	(66,39%)
EPS	0,0250	0,0168	0,01	48,20%
ROE	0,0203	0,0132	0,01	53,10%
Total Assets	90 588	89 495	1 093	1,22%
Intangibles	4 310	6 556	(2 246)	(34,26%)
Book value	68 852	69 026	(174)	(0,25%)
Equity	73 162	75 582	(2 420)	(3,20%)
Total Liabilities	17 426	13 913	3 513	25,25%
Interest bearing	289	9 052	(8 763)	(96,81%)
D/E	0,0040	0,1198	(0,116)	(96,70%)
ROA	0,0164	0,0112	0,005	46,41%

* 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 (Ontotext) Sciant Shpk.(ReSolutions), Sirma AB and Saifort.

FINANCIAL RESULTS OF THE SEGMENT

	30.09.2023 BGN'000	30.09.2022 BGN'000
Revenue from:		
- external customers	29 049	31 685
Segment revenues	29 049	31 685
Changes in finished goods and work in progress	-	20
Cost of materials	(656)	(1 002)
Hired services expenses	(6 814)	(7 428)
Employee benefits expense	(20 100)	(20 009)
Depreciation and amortisation of non-financial assets	(2 240)	(4 608)
Other expenses	(1 042)	(2 493)
Segment operating profit	(1 803)	(3 835)

In Q3 2023 the revenues of the segment decreased by 8,32% compared to Q3 2022.

Segment SOLUTIONS, PRODUCTS AND CONSULTING IN FINANCE

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

FINANCIAL RESULTS OF THE SEGMENT

	30.09.2023 BGN'000	30.09.2022 BGN'000
Revenue from:		
- external customers	10 159	9 178
Segment revenues	10 159	9 178
Cost of materials	(34)	(52)
Hired services expenses	(1 085)	(616)
Employee benefits expense	(6 387)	(4 252)
Depreciation and amortisation of non-financial assets	(498)	(292)
Other expenses	(193)	(563)
Segment operating profit	1 962	3 403

In Q3 2023 the revenues of the segment increased by 10,69%, and operating profit decreased by 42,34% compared to Q3 2022.



Segment SYSTEM INTEGRATION

Companies of sirma group operating in the segment are: Sirma Solutions

Financial results of the segment

	30.09.2023 BGN'000	30.09.2022 BGN'000
Revenue from:		
- external customers	20 615	17 254
Segment revenues	20 615	17 254
Cost of materials	(17 473)	(14 787)
Hired services expenses	(1 296)	(1 430)
Employee benefits expense	(624)	(638)
Depreciation and amortisation of non-financial assets	(9)	(79)
Other expenses	(3)	(6)
Segment operating profit	1 210	314

In Q3 2023 the revenues of the segment increased by 19,48%, and operating profit of the segment increased by 285,35% compared to Q3 2022.

8 MAIN MARKETS

Consolidated earnings of Sirma Group Holding 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	30.09.2023 BGN '000	30.09.2022 BGN '000	Change BGN '000	Change %
Europe	40 618	34 204	6 414	18,75%
North America	10 109	12 764	(2 655)	(20,80%)
United Kingdom	7 942	9 292	(1 350)	(14,53%)
Asia	744	1 492	(748)	(50,13%)
South America	199	175	24	13,71%
Australia	122	161	(39)	(24,22%)
Africa	89	29	60	206,90%
Total	59 823	58 117	1 706	2,94%

"Sirma Group Holding" JSC and the companies of the Group realize their production and services without geographical restrictions. However, the Group traditionally generates the highest sales in Europe and North America. Together with the revenue from United Kingdom, they traditionally account for 98,07% of the total amount of consolidated revenues. Nevertheless, due to the extreme diversification of its products and services, which are applied in many completely different sectors and customers, there can be no question of any dependence of the Group on individual customers or on certain services.

In Q3 2023, the Group made sales in 54 countries. In the consolidated revenues, the largest share is the revenues from Bulgaria in the amount of BGN 33 753 thousand or 56,42% of total consolidated revenues, followed by the USA with BGN 9 484 thousand or 15,85% and from United Kingdom with BGN 7 942 thousand or 13,28%.



9 CONSOLIDATED FINANCIAL RESULTS

Consolidated revenues

Consolidated revenues includes:

	30.9.2023	30.9.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Revenue from contracts with customers	59 459	56 691	2 768	4,88%
Revenue from financing	17	975	(958)	(98,26%)
Gain on sale of non-current assets	13	11	2	18,18%
Other income	334	440	(106)	(24,09%)
Total	59 823*	58 117	1 706	2,94%

Consolidated revenues in Q3 2023 increased by 2,94% or BGN 1 706 thousand compared to Q3 2022.

***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 revenue by product line includes:

	30.9.2023	30.9.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Software services	27 867	26 481	1 386	5,23%
Sale of IT equipment	19 638	16 183	3 455	21,35%
Subscriptions	3 816	3 258	558	17,13%
Support	2 065	1 270	795	62,60%
Licenses	1 900	3 775	(1 875)	(49,67%)
Cloud services	1 210	1 015	195	19,21%
Consulting services	1 180	2 160	(980)	(45,37%)
System integration	316	465	(149)	(32,04%)
Others	1 467	2 084	(617)	(29,61%)
Total	59 459	56 691	2 768	4,88%

Consolidated expenses

	30.9.2023	30.9.2022	Change
	BGN '000	BGN '000	(BGN '000,%)
Cost of materials	(1 011)	(1 471)	460
Change in %			(31,27%)
Hired services expenses	(9 425)	(9 521)	96
Change in %			(1,01%)
Employee benefits expense	(28 713)	(26 912)	(1 801)
Change in %			6,69%
Depreciation and amortisation of non-financial assets	(2 747)	(4 979)	2 232
Change in %			(44,84%)
Capitalized own expenses	1 832	2 060	(228)
Change in %			(11,07%)
Cost of goods sold and other current assets	(17 152)	(14 370)	(2 782)
Change in %			19,36%
Changes in finished goods and work in progress	-	20	(20)
Change in %			(100%)
Other expenses	(1 238)	(3 062)	1 824
Change in %			(59,57%)
Total expenses	(58 454)	(58 235)	(219)
Change in %			0,38%

In Q3 2023 consolidated operating expenses increased by BGN 219 thousand or by 0,38% compared to Q3 2022.



Consolidated financial income / costs (net)

	30.9.2023	30.9.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Financial costs	(403)	(486)	83	(17,08%)
Financial income	153	746	(593)	(79,49%)
Financial income / costs (net)	(250)	260	(510)	n/a

Consolidated financial income decreased by BGN 593 thousand or by 79,49% in Q3 2023, mainly due to the decrease in income from operations with financial assets and instruments. Consolidated financial costs decreased by BGN 83 thousand or by 17,08% in Q3 2023, mainly due to the decrease of interest expenses on loans.

Consolidated assets

Consolidated assets posted an decrease of BGN 22 242 thousand or 18,18% in Q3 2023.

Non-current assets

	30.9.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Goodwill	26 252	26 083	169	0,65%
Property, plant and equipment	10 285	9 881	404	4,09%
Intangible assets	21 008	20 706	302	1,46%
Investment in associates	-	18 502	(18 502)	(100%)
Long - term financial assets	336	336	-	-
Deferred tax assets	818	1 278	(460)	(35,99%)
Total non-current assets	58 699	76 786	(18 087)	(23,56%)

Non-current assets decreased by BGN 18 087 thousand or by 23,56% in Q3 2023.

Current assets

	30.9.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Inventory	1 637	560	1 077	192,32%
Contract assets	20 137	22 572	(2 435)	(10,79%)
Trade receivables	887	706	181	25,64%
Related party receivables	483	418	65	15,55%
Income tax receivables	30	-	30	n/a
Loans granted	150	150	-	-
Current financial assets	3 255	-	3 255	n/a
Cash and cash equivalents	14 818	21 146	(6 328)	(29,93%)
Total current assets	41 397	45 552	(4 155)	(9,12%)

Current assets decreased by BGN 4 155 thousand or by 9,12 % in Q3 2023.



Equity

	30.9.2023	31.12.2022	Change
	BGN '000	BGN '000	(BGN '000,%)
Share Capital	59 361	59 361	-
<i>Change</i>			-
Purchased own shares	(1 589)	(85)	(1 504)
<i>Change</i>			1769,41%
Reserves	8 050	7 043	1 007
<i>Change</i>			14,30%
Retained earnings	11 796	19 068	(7 272)
<i>Change</i>			(38,14%)
Equity attributable to the owners of the parent	77 618	85 387	(7 769)
<i>Change</i>			(9,10%)
Non-controlling interest	5 084	4 995	89
<i>Change</i>			1,78%
Total	82 702	90 382	(7 680)
<i>Change</i>			(8,50%)

Equity in Q3 2023 decreased by BGN 7 680 thousand or by 8,50 %.

Consolidated liabilities

Consolidated liabilities decreased by 14 562 BGN thousand or 45,57% in Q3 2023.

Non-current liabilities

	30.9.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Pension and other employee obligations	400	400	-	-
Long-term borrowings	-	7 707	(7 707)	(100%)
Long-term lease liabilities	1 426	1 287	139	10,80%
Deferred tax liabilities	340	327	13	3,98%
Total non-current liabilities	2 166	9 721	(7 555)	(77,72%)

Non-current liabilities decreased by BGN 7 555 thousand or by 77,72% in Q3 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 30.09.2023 (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%		20.12.2024	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 30.09.2023 (BGN)	Date of making the loan	Interest rate	End date of the contract	Collateral
Sirma Solutions	United Bulgarian Bank	Overdraft	BGN	4 025 000	315	12.12.2019	RIR + 1.2%, but no less than 1.3% per year	20.12.2025	Pledge of receivables, pledge of commercial enterprises, pledge of real estate
Sirma Solutions	United Bulgarian Bank	Overdraft	BGN	2 080 000	-	15.12.2022	The applicable variable interest rate for the relevant interest period +1.5 points, but not less than 1.5%	15.12.2024	Pledge of receivables.
Sirma Solutions	United Bulgarian Bank	Overdraft	BGN	4 000 000	-	28.10.2020	RIR + 1.2%, but no less than 1.3% per year	28.10.2025	Pledge of receivables.
Sirma InsurTech	KBC Bank Bulgaria	Overdraft	BGN	290 000	290 000	25.7.2022	3.10%	30.9.2023	-
Sciant	United Bulgarian Bank	Overdraft	BGN	500 000	-	18.5.2020	The applicable variable interest rate for the relevant interest period +3.5 points, but not less than 3.5%		Pledge of receivables
Sciant	United Bulgarian Bank	Overdraft	BGN	500 000	-	7.4.2022	The applicable variable interest rate for the relevant interest period +1.3 points, but not less than 1.3%		Pledge of receivables
EngView Systems Sofia	United Bulgarian Bank	Overdraft	BGN	1 000 000	-	15.12.2020	The applicable variable interest rate for the relevant interest period +1.3 points, but not less than 1.3%		Pledge of receivables
Sirma Medical Systems	United Bulgarian Bank	Bank revolving credit	BGN	250 000	250 000	15.12.2020	ADI + 1,3 percent, (but not less than 1,3 percent per year)	15.12.2023	Pledge on receivables



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

Lender	Recipient	United identification code	Relationships	Type	Currency	Liability as of 30.09.2023 (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
Sirma Group Holding	Sirma ISG	201580558	Company under common control	Loan	BGN	7	26.04.2017	1.3, 2.8, 6.5	31.12.2023	No pledges
Sirma Group Holding	Sirma ICS	203940550	Company under common control	Loan	BGN	60	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	450	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 ISG	201580558	Subsidiary	Loan	BGN	107	12.12.2016	5	31.12.2023	No pledges
Sirma Solutions	Sirma Group Holding	200101236	Parent company	Deposit	BGN	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	181	14.07.2021	3.2	31.08.2025	No pledges
EngView Systems Sofia	EngView Systems GmbH		Subsidiary	Loan	EUR	98	05.12.2022	3	31.12.2025	No pledges
SAI	Sirma Group Holding	200101236	Parent company	Deposit	BGN	1 300	18.07.2023	0.1	18.07.2025	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 30.09.2023 (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	31.12.2024	No pledges
Sirma Group Holding	Sirma Solutions	040529004	Subsidiary	Deposit	BGN	14 848	29.10.2020	0.1	31.12.2023	No pledges
Sciant	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	31.12.2023	No pledges
Sirma InsurTech	*Individual Y.M.		Related party	Loan	BGN	77	30.08.2022	2.9	31.08.2023	No pledges
Sirma InsurTech	Sirma Group Holding	200101236	Parent company	Loan	BGN	450	03.10.2022	1.3	31.12.2023	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

	30.9.2023	31.12.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Provisions	77	77	-	-
Pension and other employee obligations	4 413	3 973	440	11,07%
Short-term borrowings	632	5 251	(4 619)	(87,96%)
Short-term lease liabilities	621	590	31	5,25%
Trade and other payables	8 571	11 729	(3 158)	(26,92%)
Short-term related party payables	891	497	394	79,28%
Tax liabilities	23	118	(95)	(80,51%)
Total current liabilities	15 228	22 235	(7 007)	(31,51%)

Current liabilities decreased by BGN 7 007 thousand or 31,51% in Q3 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 and payments for staff and social security contributions.

Summary of cash flow

	30.9.2023	30.9.2022	Change	Change
	BGN '000	BGN '000	BGN '000	%
Net cash flow from operating activities	1 757	(4 322)	6 079	n/a
Net cash flow from investing activities	9 462	23 852	(14 390)	(60,33%)
Net cash flow from financing activities	(17 506)	(6 022)	(11 484)	190,70%
Net change in cash and cash equivalents	(6 287)	13 508	(19 795)	n/a
Cash and cash equivalents at the beginning of the year	21 146	11 353	9 793	86,26%
Exchange gains/(losses) on cash and cash equivalents	(41)	73	(114)	n/a
Cash and cash equivalents at the end of the year	14 818	24 934	(10 116)	(40,57%)



Indicators and ratios

№	Indicators (in BGN '000)	30.9.2023	30.9.2022/ 31.12.2022	Change	Change
				(value)	%
1	Revenue from operating activities	59 823	58 117	1 706	2,94%
2	Cost of sales	(57 216)	(55 173)	(2 043)	3,70%
3	Gross profit / loss	2 607	2 944	(337)	(11,45%)
4	Other operating costs	(1 238)	(3 062)	1 824	(59,57%)
5	Operating profit / loss	1 369	(118)	1 487	(1 260,17%)
6	Financial income	153	746	(593)	(79,49%)
7	Financial costs	(403)	(486)	83	(17,08%)
8	Profit / loss before tax expense	1 119	(5 796)	6 915	n/a
9	Tax costs	(515)	-	(515)	n/a
10	Net profit / loss	604	(5 796)	6 400	n/a
11	Dividend	3 253	-	3 253	n/a
12	Cash and cash equivalents	14 818	21 146	(6 328)	(29,93%)
13	Inventories	1 637	560	1 077	192,32%
14	Short-term assets	41 397	45 552	(4 155)	(9,12%)
15	Total amount of assets	100 096	122 338	(22 242)	(18,18%)
16	Average arithmetic total asset value for 5 quarters	113 591	147 111	(33 520)	(22,79%)
17	Current liabilities	15 228	22 235	(7 007)	(31,51%)
18	Debt	2 679	14 835	(12 156)	(81,94%)
19	Liabilities (borrowed funds)	17 394	31 956	(14 562)	(45,57%)
20	Equity	82 702	90 382	(7 680)	(8,50%)
21	Equity averaged 5 quarters	88 606	106 675	(18 069)	(16,94%)
22	Turnover capital	26 169	23 317	2 852	12,23%
23	Number of shares at the end of the period (in thousands)	59 361	59 361	-	-
24	Profit / loss minority interest	714	(687)	1 401	n/a
25	Interest expenses	(136)	(234)	98	(41,88%)
26	Weighted average price of last trading session	0,7450	0,7675	(0,0225)	(2,93%)
27	Last price per share of last trading session	0,76	0,75	0,0100	1,33%



Indicators	30.9.2023	30.9.2022/ 31.12.2022	Change	Change
			(value)	%
EBITDA	4 002	(583)	4 585	n/a
DEPRECIATION	(2 747)	(4 979)	2 232	(44,83%)
EBIT	1 255	(5 562)	6 817	n/a
FIN/INVEST NET	(250)	260	(510)	n/a
EBT	1 119	(5 796)	6 915	n/a
ROA	(0,0011)	(0,0418)	0,0407	(97,37%)
ROA(BSE)	(0,0010)	(0,0347)	0,0338	(97,21%)
Debt/EBITDA Ratio	0,6694	(25,4460)	26,1154	n/a
Quick Ratio	2,6110	2,0235	0,5875	29,03%
ROE	0,0068	(0,0543)	0,06115	n/a
Debt/Equity Ratio (BSE)	0,2103	0,3536	(0,1432)	(40,51%)
Profitability ratios				
Gross profit margin	0,0436	0,0507	(0,0071)	(13,97%)
Operating profit margin	0,0229	(0,0020)	0,0249	n/a
Net profit margin	0,0101	(0,0997)	0,1098	n/a
Return on Assets	0,0053	(0,0394)	0,0447	n/a
Return on Equity	0,0068	(0,0543)	0,0611	n/a
Coefficients for assets and liquidity				
Assets turnover ratio	0,5280	0,4001	0,1279	31,96%
Assets turnover ratio (BSE)	0,5267	0,3951	0,1316	33,31%
Operating cycle	2,2860	2,4925	(0,2064)	(8,28%)
Current ratio	2,7185	2,0487	0,6698	32,70%
Quick ratio	2,6110	2,0235	0,5875	29,03%
Cash ratio	0,9731	0,9510	0,0221	2,32%
Odds per share				
P/S ratio	0,7392	0,7839	(0,0447)	(5,70%)
P/E ratio	73,2185	(7,8605)	81,0790	(1 031,47%)
Revenue per share	1,0078	0,9790	0,0287	2,94%
Earnings per share	0,0102	(0,0976)	0,1078	n/a
Book value of equity per share	1,4927	1,7971	(0,3044)	(16,94%)
Development Ratios				
Revenue growth	0,0294	2,6037	(2,5744)	(98,87%)
Gross profit growth	(0,1145)	2,1896	(2,3041)	n/a
Assets growth	(0,1818)	0,0196	(0,2014)	n/a
Leverage Ratios				
Debt/total assets	0,0236	0,1008	(0,0773)	(76,61%)
Debt/capital	0,0293	0,1221	(0,0927)	(75,96%)
Debt/equity	0,0302	0,1391	(0,1088)	(78,26%)
Total assets/equity	1,2820	1,3791	(0,0971)	(7,04%)
Market value of the company	45 114	44 521	594	1,33%



Related companies transactions

The Group's related parties include its owners, associates and key management

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with subsidiaries and other related parties

	30.9.2023	30.9.2022
	BGN'000	BGN'000
Sales of:		
- goods	178	230
- services	101	187
Purchases of:		
- goods	31	-

Transactions with key management personnel

Key management of the Company includes members of the board of directors. Key management personnel remuneration includes the following expenses:

	30.9.2023	30.9.2022
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries	586	579
Social security costs	9	12
Total remunerations	595	591



10 EMPLOYEES AND ECOLOGY

Ecology

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

Employees

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

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

Count of employees in the Group:

30.09.2023

Company	LC	CMC	Total
SIRMA SOLUTIONS	167	7	174
SCIANT	125	5	130
SIRMA BUSINESS CONSULTING	73	5	78
ENGVIEW SYSTEMS SOFIA	35	4	39
SIRMA INSURTECH	34	1	35
SCIANT SHPK.(RESOLUTIONS)	28	1	29
SIRMA GROUP HOLDING	20	9	29
SIRMA SHA, ALBANIA	17	3	20
S&G, UK	10	1	11
SIRMA ICS	9	1	10
DATICUM	8	2	10
SIRMA MEDICAL SYSTEMS	4	3	7
SIRMA CI	2	3	5
SIRMA AB	2	0	2
SAI (ONTOTEXT)	1	3	4
ENGVIEW SYSTEMS GERMANY	1	1	2
SIRMA GROUP INC., USA	-	1	1
Total	536	50	586



30.09.2022

Company	LC	CMC	Total
SIRMA SOLUTIONS	160	7	147
SCIANT	108	2	104
SIRMA BUSINESS CONSULTING	58	5	85
SIRMA INSURTECH	36	1	56
ENGVIEW SYSTEMS SOFIA	33	4	39
SIRMA GROUP HOLDING	19	6	26
SIRMA SHA, ALBANIA	14	3	15
S&G, UK	9	1	11
SIRMA ICS	9	1	14
DATICUM	8	5	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	462	44	524

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. The average annual inflation for the period January - December 2022 compared to the period January - December 2021 is 15.3 percent. Inflation is expected to remain high in the short term. In the medium term, as the energy market rebalances, uncertainty is expected to ease and inflation to fall towards the end of 2023. 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.



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 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.

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	30.9.2023	31.12.2022
	BGN'000	BGN'000
Financial assets at fair value through profit or loss:		
Long - term financial assets	336	336
Debt instruments measured at amortized cost		
Trade receivables	17 630	16 405
Related party receivables	483	418
Loans granted	150	150
Cash and cash equivalents	14 818	21 146
	33 081	38 119
	33 417	38 455

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.

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 30 September 2023, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

30 September 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	109	523	-	-
Finance lease obligations	459	162	1 369	57
Trade and other payables	3 682	-	-	-
Related party payables	891	-	-	-
Total	5 141	685	1 369	57

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 the activity and the 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 Group that have a significant impact on its operations and its realized revenues and expenses.

12.2 Information about out of the balance sheet transactions - type and business purpose, financial impact of the transaction on activity if the risks and benefits of these transactions are essential for the company and the disclosure of this information is essential for assessing the financial position of the group.

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

12.6 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 for the reporting period in the main principles for the management of the Group.

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

12.8 Information about the main characteristics of the financial reporting processing internal control system 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 interim consolidated financial statements have been prepared in accordance with the going concern principle, taking into account the possible effects of the resulting inflationary crisis and other risks accompanying the Group's activity.

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

12.9 information on changes in management and supervisory authorities in the reporting period.

There were no changes during the current period.

12.10 Information about the known to the Group agreements (including also after the closing of the period) 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 Group has not issued bonds.

12.11 Details of the Director for relations with the investors, including a telephone and address for correspondence.

Stanislav Tanushev

Bul. 135 Tsarigradsko shose, fl. 3

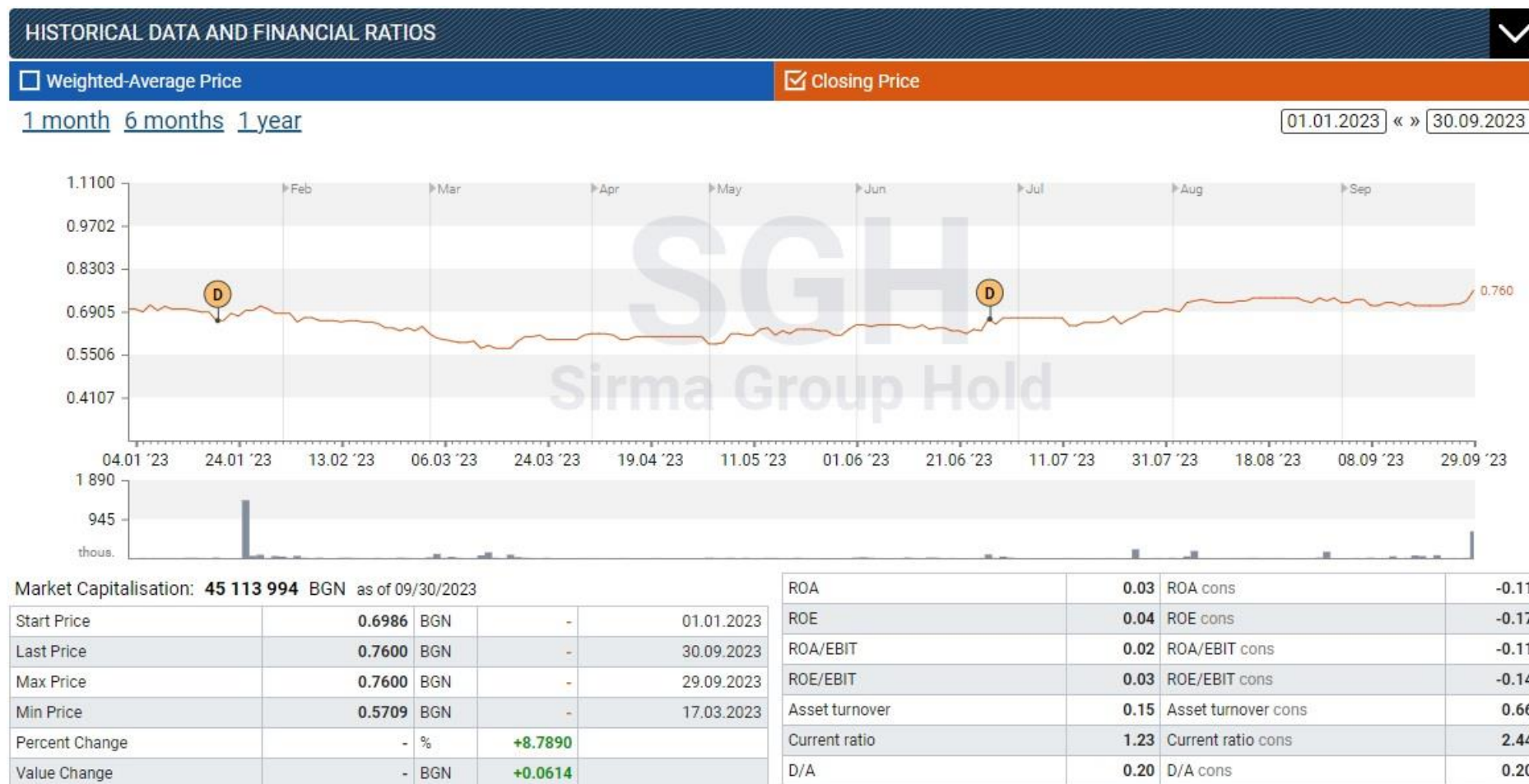
Sofia 1784

ir@sirma.com

Contact phone: +359 2 976 8310



13 CHANGES IN THE PRICE OF THE SHARES OF THE COMPANY



14 EVENTS AFTER THE END OF THE REPORTING PERIOD

Buyback of shares

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.

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.

Sofia
28.11.2023

Executive Director: 
Tsvetan Alexiev

