

Grant Thornton OOD
A 26, Cherni Vrah Blvd, 1421 Sofia
A 111, Knyaz Boris I Blvd., 9000 Varna
T (+3592) 987 28 79, (+35952) 69 55 44
F (+3592) 980 48 24, (+35952) 69 55 33
E office@bg.gt.com
W www.granthornton.bg

INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Sirma Group Holding JSC
135 Tsarigradsko shosse blvd., Sofia

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of Sirma Group Holding JSC and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independent Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), together with the ethical requirements of Bulgarian Independent Financial Audit Act, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a consolidated opinion on these matters.

Impairment testing of goodwill	
Note 10 to the consolidated financial statements	
Key audit matter	How this matter was addressed during the audit
<p>As of 31 December 2023, the Group's goodwill amounts to TBGN 26 262, arising for as a result of business combinations in previous reporting periods. The carrying amount of goodwill represents 27% of the Group's consolidated assets.</p> <p>In preparing the annual goodwill impairment test, management is required to apply significant assumptions and accounting judgments the calculation of the recoverable amount of cash-generating units is based on. Assumptions used to determine the recoverable amount of cash-generating units include expected future cash flow projections, applicable discount factors and sensitivity analyses.</p> <p>For the process is specific and the assumptions are subjective and/or dependent on external influence and factors, we focused on management's judgments regarding the impairment tests of goodwill as of 31.12.2023.</p> <p>Notes 4.13, 4.26.1 and 10 to the consolidated financial statements present the disclosures regarding the judgments and assumptions of the Group's management regarding recognized goodwill as of 31.12.2023.</p>	<p>During our audit, audit procedures consisted of but are not limited to:</p> <ul style="list-style-type: none"> - obtaining an understanding of the process applied by the Group's management in determining the value of recognized goodwill determination - review of the applied accounting policy and methodology used for carrying out impairment tests; - assessment of the relevance of the key assumptions, including discount factors, expected growth and other key indicators, with the participation of our internal experts by comparing with average market indicators of companies with similar activity and with the current financial indicators of the Group; - an assessment of the adequacy of the disclosures in the consolidated financial statements, including the disclosures of key assumptions, judgments and sensitivities related to goodwill recognized.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the consolidated annual management report, including the consolidated corporate governance statement and the non-financial, prepared in accordance with Bulgarian Accountancy Act and other applicable legislation requirements, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or whether our knowledge obtained in the audit may indicate that there is a material misstatement or otherwise the other information appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and Bulgarian legislation, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and Bulgarian Independent Financial Audit Act will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In addition to our responsibilities for reporting under ISAs, described above in section “Information Other than the Consolidated financial statements and Auditor’s Report Thereon”, regarding annual management report, including the consolidated corporate governance statement and the non-financial declaration we have performed the additional procedures contained in the Guidelines of the professional organisation of certified public accountants and registered auditors in Bulgaria - Institute of Certified Public Accountants (ICPA). The procedures on the existence, form and contents of the other information have been carried out in order to state whether the other information includes the elements and disclosures in accordance with Chapter Seven of Bulgarian Accountancy Act, Article 100n, paragraph (10) in relation to Article 100n, paragraph (8), subparagraphs (3) and (4) of Bulgarian Public Offering of Securities Act.

Statement Pursuant to Article 37, Paragraph (6) of Bulgarian Accountancy Act

Based on the procedures performed, we describe the outcome of our work:

- (a) the information in the consolidated management report is consistent with the consolidated financial statements for the same reporting period;
- (b) the consolidated management report is prepared in accordance with the applicable legal requirements;
- (c) as a result of the acquired knowledge and understanding of the activities of the Group and the environment in which it operates, we have found no cases of material misrepresentation in the consolidated management report;
- (d) the consolidated corporate governance statement for the financial year contains the required information in accordance with the applicable legal requirements, including Article 100n, paragraph (8) of Bulgarian Public Offering of Securities Act;
- (e) the non-financial declaration is prepared and made available in accordance with the requirements of Bulgarian Accountancy Act.

Statement Pursuant to Article 100n, Paragraph (10) of Bulgarian Public Offering of Securities Act

Based on the procedures performed and our knowledge of the Group and the environment in which it operates, in our opinion, there is no material misstatement in the description of the main characteristics of the internal control system and of the risk management system of the Group in connection with the financial reporting process and also in the information pursuant to Article 10, paragraph 1, items “c”, “d”, “f”, “h” and “i” of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, which are included in the consolidated corporate governance statement, being a component of the annual consolidated management report.

Reporting on compliance of the electronic format of the consolidated financial statements included in the annual consolidated financial report on the activity under Art. 100n, paragraph 5 of Bulgarian Public Offering of Securities Act with the requirements of ESEF Regulation

We have undertaken a reasonable assurance engagement on the compliance of the electronic format of the consolidated financial statements of Sirma Group Holding JSC for the year ended on 31 December 2023 included in the digital file „8945007AD80FTJTEGH37-20231231-EN-CON.zip“, with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (“ESEF Regulation”). Our opinion is only regarding the electronic format of the consolidated financial statements and does not include the other information contained in the annual consolidated financial report on the activity under art. 100n, para. 5 of Bulgarian Public Offering of Securities Act.

Description of Subject Matter Information and Applicable Criteria

Management has prepared the electronic format of Group’s consolidated financial statements for the year ended 31 December 2023 in accordance with ESEF Regulation in order to comply with Bulgarian Public Offering of Securities Act. The rules for preparation of the consolidated financial statements in this electronic format are described in the ESEF Regulation and in our opinion, they are applicable criteria for providing reasonable assurance.

Responsibilities of Management and Those Charged with Governance

Group’s management is responsible for the application of the requirements of ESEF Regulation in preparing the electronic XHTML format of the consolidated financial statements. These responsibilities include the selection and application of suitable iXBRL tags in accordance with the taxonomy of ESEF Regulation, as well as the application of such internal controls, which are necessary for the preparation of the electronic format of

Group's annual consolidated financial statements, that are free from material misstatements in accordance with ESEF Regulation.

Those charged with governance are responsible for overseeing the process for preparation of Group's annual consolidated financial statements and application of ESEF Regulation.

Auditor's Responsibilities

Our responsibility is to obtain reasonable assurance about whether the electronic format of the consolidated financial statements complies with ESEF Regulation. We applied the "Guidance on issuing an opinion on the application of ESEF Regulation by issuers whose securities are admitted to trading on a regulated market in the European Union" and conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised))". The standard requires that we comply with ethical requirements, design and perform audit procedures to obtain reasonable assurance whether the electronic format of Group's consolidated financial statements have been prepared in accordance with the applicable criteria described above. The nature, timing and extent of our procedures depend on our professional judgement, including the risk of material misstatements whether due to fraud or error, in applying the requirements of ESEF Regulation.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAE 3000 (Revised) will always detect a material misstatement when it exists.

Quality Control Management Requirements

We apply the requirements of International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality control, including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements for registered auditors in Bulgaria.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independent Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and adopted by BICPA, together with the ethical requirements of Bulgarian Independent Financial Audit Act.

Summary of the Work Performed

The purpose of the designed and performed procedures was to obtain reasonable assurance whether the electronic format of the consolidated financial statements has been prepared in all material aspects in compliance with the requirements of ESEF Regulation. In performing procedures for assessing compliance with the requirements of ESEF Regulation on electronic (XHTML) format of Group's consolidated financial statements, we used professional judgement and applied professional skepticism. We also:

- obtained an understanding of the internal control and processes, related to the application of ESEF Regulation in preparing Groups' consolidated financial statements in XHTML format with iXBRL tags;
- checked that the enclosed XHTML format is valid;
- reconciling the data in the electronic format of the consolidated financial statements with the audited consolidated financial statements;
- evaluated the completeness of Group's tagging of the consolidated financial statements using the XBRL markup language;
- evaluated the appropriateness of the use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified; and
- evaluated the use of anchoring in relation to the extension elements in accordance with ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on compliance of the electronic format of the consolidated financial statements with ESEF Regulation

Based on the performed procedures, our opinion is that the electronic format of the consolidated financial statements of the Group for the year ended 31 December 2023, contained in the attached electronic file „8945007AD80FTJTEGH37-20231231-EN-CON.zip“, has been prepared in all material respects in accordance with the requirements of the ESEF Regulation.

Reporting Pursuant to Article 59 of Bulgarian Independent Financial Audit Act in relation to Article 10 of Regulation (EC) № 537/2014

In accordance with the requirements of Bulgarian Independent Financial Audit Act and in relation with Article 10 of Regulation (EC) № 537/2014, we report additionally the information as follows:

- Grant Thornton OOD was appointed as statutory auditor of the consolidated financial statements of Sirma Group Holding JSC for the year ended on 31 December 2023 by the general meeting of shareholders, held on 15 June 2023, for a period of one year.
- The audit of the consolidated financial statements of the Group for the year ended on 31 December 2023 has been made for the fifth year.
- In support of our audit opinion, we have provided a description of the most significant assessed risks of material misstatement, a summary of the auditor's response and where relevant, key observations arising with respect to those risks in the section „Key audit matters“ of this report.
- We confirm that our audit opinion is consistent with the additional report to the audit committee, which was provided in accordance with Article 60 of Bulgarian Independent Financial Audit Act.
- We declare that prohibited non-audit services referred to in Article 64 of Bulgarian Independent Financial Audit Act were not provided.
- We confirm that we remained independent of the Group in conducting the audit.
- For the period for which we were engaged as statutory auditors, we have not provided any other services to the Group and its controlled undertakings in addition to the statutory audit

Mariy Apostolov
Managing partner

Emilia Marinova
Registered auditor responsible for the audit

Grant Thornton Ltd.
Audit firm № 032

26 April 2024
Bulgaria, Sofia, 26, Cherni Vrah Blvd.