



Interim Separate Management Report

of "Sirma Group Holding" JSC
for the period 01.01.2024-30.09.2024

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

The present interim separate report of the management of "Sirma Group Holding" JSC covers the period, ending on 30 September 2024 and was prepared in accordance with the provisions of Article 39 of the Accountancy Law and Art. 100o, para. 2 and 5 of the Law on the Public Offering of Securities (POSA), including also the established events, occurring after the balance sheet date. The structure of this report is in accordance Article 12 of Ordinance No. 2 of 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 financial statements as at 30 September 2024;
- there is no actual or potential breach of laws and (or) other regulatory provisions that would have a material impact on the individual 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 management report contains estimates and information based on our beliefs and assumptions, using currently available information about them. Any statements contained in this report that are not historical facts are predictions. We have based these statements on the future of our current expectations, assumptions and predictions about future conditions and events. As a result, our predictions and information are exposed to uncertainties and risks, many of which are beyond our control. If one or more of these uncertainties or risks materialize or if the underlying management assumptions prove to be incorrect, our actual results may differ materially from those described in the report. We describe these risks and uncertainties in the Risk Section of the report.

The words "purpose", "predict", "accept", "believe", "in the future", "we could", "rely", "we are confident", "appreciate", "expect", "we intend", "we can", "can", "prospect", "plan", "project", "predict", "would" and other similar expressions are intended to identify these forward-looking statements. Such estimates are, for example, those made in the Business Results section of our quantitative and qualitative disclosures about market risk in accordance with International Financial Reporting Standards (IFRS), namely IFRS 7 and related statements in our Notes to the financial statements, our prospects for development, and other forecast information that appears in other parts of

this report. Unless required by law, we do not commit and we have no obligation to update or revise predictive statements as a result of new information we have received about the conditions that existed at the time of this report, future events, or otherwise unless we are obliged to do so under the law.

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

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

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

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

The reporting period is the financial period ending on 30 September 2024. The report includes the activity of "Sirma Group Holding" JSC.



2/ ORGANIZATION AND WAY OF PRESENTATION

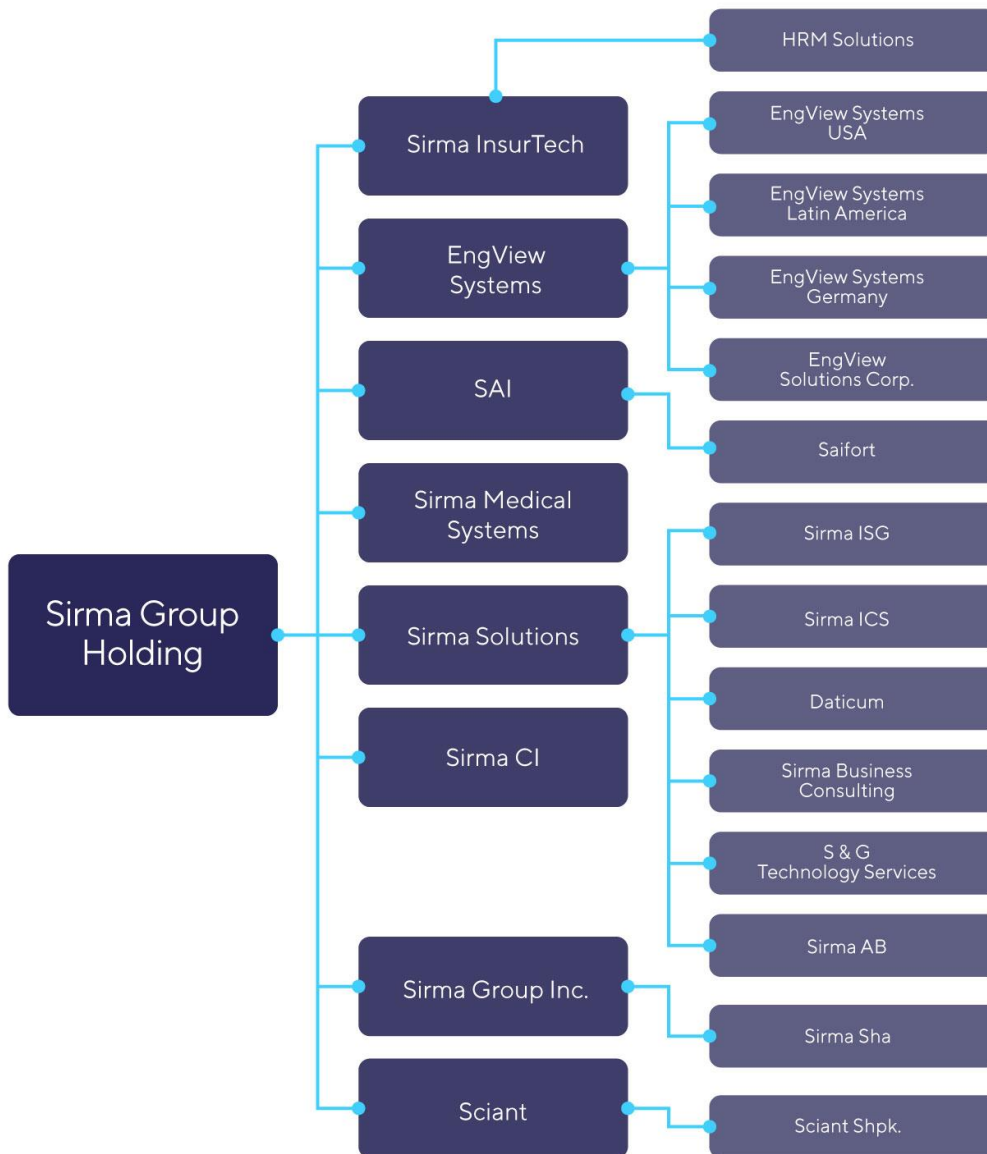
"Sirma Group Holding" JSC is a holding company which invests in technological businesses, manages them strategically and operationally, provides its subsidiaries with management, administrative, marketing and financial services.

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.

2.1. Group structure



HISTORY AND DEVELOPMENT OF THE COMPANY

"Sirma Group Holding" JSC is a holding company is registered on 25.04.2008 with the Registry Agency with UIC 200101236, with Seat and registered office: BULGARIA, Sofia (capital), Sofia municipality, city. Sofia, 1784, Mladost area, bul. Tsarigradsko Shosse, 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 IN COMPANIES WHICH THE COMPANY HOLDS, FINANCE COMPANIES IN WHICH THE COMPANY PARTICIPATES, ORGANIZE ACCOUNTING AND COMPILING FINANCIAL STATEMENTS UNDER THE LAW OF ACCOUNTING. COMPANY MAY PERFORM OTHER BUSINESS ACTIVITIES WHICH IS NOT PROHIBITED BY LAW.

Changes in the subject of activity:

On 23.03.2009 "Sirma Group Holding" JSC changed its scope of activity as follows: Acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, surrender of licenses for use of patents to 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 as per the Law for Accounting. The company may also carry out its own

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

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

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

- does not have a transfer or pledge to the enterprise;
- does not have claims, which have been filed for the opening of insolvency proceedings of the company;
- does not have pending tenders from third parties to the Company or from the Company to other companies;

CAPITAL

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

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

Non-monetary contributions - description:

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

Value: BGN 61 555 838

2. 81 960 number of ordinary registered shares of "Sirma Group" JSC, the company registered in the Commercial Register to the Registry Agency with UIC 040529004.

Value: BGN 11 734 980

3. Real Estate - Floor 3 of an office building "IT - Center Office Express" in Sofia, bul. "Tsarigradsko Shosse " N 135 with an area 796, 50 square meters, pursuant to Deed of buying and selling real estate N 126, Volume I, reg. N 4551, case N 116 from 23.04.200. and 5 floor of an office building "IT - center office Express" in Sofia bul. " Tsarigradsko Shosse " N 135 with area 281.81 square meters, according to Deed of sale of real estate N 86, Volume 4, Reg. N 10237, Case N 592 of 23.12.2004

Value: BGN 3 911 660



"Sirma Group Holding" JSC

www.sirma.com

Total Value: BGN 77 202 478

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

HISTORY OF SHAREHOLDER CAPITAL

- Through an initial public offering, according to a resolution of the GMS dated 04.12.2014, an increase of the capital of "Sirma Group Holding" JSC was registered on 30.10.2015, increasing the capital to BGN 59 360 518 BGN.
- During the transformation entered in the Commercial Register on 23.10.2014, the Company's capital is reduced to 49 837 156 through the cancellation of 23 503 662 shares. This decrease is a result of the estimated fair value of the shares of "Sirma Group Holding" JSC by three independent valuers. The shareholding structure of the Company does not change as a result of the separation until the shareholding structures in the transforming and newly established companies are mirrored.
- On 22.10.2010, as a result of the decision of the regular annual general meeting of the Company's shareholders, a reduction of the capital of "Sirma Group Holding" JSC from 77,252,478 BGN to 73,340,818 BGN was recorded through the cancellation of 3,911,660 shares with a par value of one each. The Company's capital was reduced on the basis of Art. 200, para. 2, in conjunction with Art. 187f, par. 1, item 2n in Bulgarian commercial law.

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

- 1) 29 software modules worth 61 555 838 BGN;
- 2) Non-monetary contribution representing real estate amounting to 3 911 660 BGN:
 - Office building - offices, floor 3th and floor 5th of an office building, located in Sofia, 135 Tsarigradsko shose Blvd., owned by "Sirma Group" JSC, a company registered in the Commercial Register at the Registry Agency UIC 040529004, with headquarters and address of management in Sofia, Mladost district, 135 Tsarigradsko shose Blvd., accepted as shareholder in "SGH" JSC by decision of the General Meeting of "SGH" JSC from 10.07.2008
- 3) Non-cash contribution representing shares of 11 734 980 BGN:
 - A total of 81,690 shares of the total amount of 11,734,980 BGN (143.6526 BGN per share) of the capital of "Sirma Group" JSC, registered in the Commercial Register at the Registry Agency UIC, 040529004.

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

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

3/ PORTFOLIO OF "SIRMA GROUP HOLDING" JSC

Subsidiaries of "Sirma Group Holding" JSC

Company	Value of the investment at 30.09.2024 (in BGN'000)	Percentage of capital at 30.09.2024	% of voting rights at 30.09.2024	Value of the investment at 31.12.2023 (in BGN'000)	Percentage of capital at 31.12.2023	% of voting rights* at 31.12.2023
Sirma Solutions EAD	39 686	100%	100%	39 686	100%	100%
SAI EAD	17 865	100%	100%	17 865	84,56%	100%
Sciant EAD	14 076	100%	100%	10 237	100%	100%
Sirma Group Inc.	3 471	76,30%	76,30%	3 471	76,30%	76,30%
Sirma InsurTech EAD	1 476	100%	100%	914	55,00%	55,00%
Sirma CI EAD	248	100%	100%	106	80,00%	80,00%
Sirma Medical Systems AD	66	66,00%	66,00%	66	66,00%	66,00%
EngView Systems AD	50	72,90%	72,90%	50	72,90%	72,90%

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

INFORMATION ON PARTICIPATION

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

The company has no branches.



4/ STRUCTURE OF SHAREHOLDERS CAPITAL AND MANAGEMENT AUTHORITIES

4.1. Distribution of share capital

As of 30.09.2024 the distribution of the share capital of "Sirma Group Holding" JSC is as follows:

	30.09.2024	30.06.2024
Share capital (thousand shares)	59 361	59 361
Number of shares (par value of BGN 1.00)	59 360 518	59 360 518
Total number of registered shareholders	1 151	1 109
Including legal entities	43	38
Individuals	1 108	1 071
Number of shares held by legal entities	6 867 613	7 906 320
% Of participation of entities	11,57%	13,32%
Number of shares held by individuals	52 492 905	51 454 198
% Participation of individuals	88,43%	86,68%

Shareholders	Number of shares at 30.09.2024	Number of shares at 30.06.2024	Nominal value (BGN)	Value (BGN)	% Shareholding	% of voting rights*
Georgi Parvanov Marinov	5 461 898	5 455 748	1	5 461 898	9,20%	9,47%
Tsvetan Borisov Alexiev	5 025 153	5 035 153	1	5 025 153	8,47%	8,71%
Chavdar Velizarov Dimitrov	4 817 386	4 817 386	1	4 817 386	8,12%	8,35%
Veselin Antchev Kirov	4 767 386	4 767 386	1	4 767 386	8,03%	8,27%
Ognyan Plamenov Chernokozhev	3 741 620	3 741 620	1	3 741 620	6,30%	6,49%
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%	3,78%
Rosen Vasilev Varbanov	2 156 687	2 156 687	1	2 156 687	3,63%	3,74%
Emiliana Ilieva Ilieva	1 990 209	1 990 209	1	1 990 209	3,35%	3,45%
Rosen Ivanov Marinov	1 907 900	1 907 900	1	1 907 900	3,21%	3,31%
Deyan Nikolov Nenov	1 814 748	1 814 748	1	1 814 748	3,06%	3,15%
Purchased own shares	1 689 236	2 279 419	1	1 689 236	2,85%	-
Atanas Kostadinov Kiryakov	1 545 287	1 542 787	1	1 545 287	2,60%	2,68%
Yavor Liudmilov Djonev	1 092 746	1 092 746	1	1 092 746	1,84%	1,89%
Mandjukov Ltd.	860 000	860 000	1	860 000	1,45%	1,49%
Peter Nikolaev Konyarov	803 538	828 735	1	803 538	1,35%	1,39%
UPF Doverie JSC	802 126	802 126	1	802 126	1,35%	1,39%
UPF DSK Rodina	747 036	747 036	1	747 036	1,26%	1,30%
DF Advance Invest	718 335	1 141 110	1	718 335	1,21%	1,25%
Asen Krumov Nelchinov	650 449	650 449	1	650 449	1,10%	1,13%
Momchil Nikolov Zarev	618 153	618 153	1	618 153	1,04%	1,07%
Others	13 438 881	12 399 376	1	13 438 881	22,64%	23,30%
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.



On 24.01.2024 „Sirma Group Holding“ JSC bought back 1 000 000 of its shares at an average price of BGN 0,74 per share, for a total price of BGN 740 000. The shares represent 1,68% of the company's capital.

On 28.05.2024 „Sirma Group Holding“ JSC sold 500 988 of its shares at an average price of BGN 0,85 per share, for a total price of BGN 425 839,80. The shares represent 0,84% of the company's capital.

On 02.07.2024 „Sirma Group Holding“ JSC sold 590 183 of its shares at an average price of BGN 0,96 per share, for a total price of BGN 566 575,68. The shares represent 0,99% of the company's capital.

As of 30.09.2024 „Sirma Group Holding“ JSC holds 1 689 236 (30.06.2024 - 2 279 419) repurchased own shares at the total amount of BGN 1 689 236 (2,85% of share capital).

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

Shareholders	Number of shares at 30.09.2024	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 461 898	9,20%	9,47%
Tsvetan Borisov Alexiev	5 025 153	8,47%	8,71%
Chavdar Velizarov Dimitrov	4 817 386	8,12%	8,35%
Veselin Antchev Kirov	4 767 386	8,03%	8,27%
Ognyan Plamenov Chernokozhev	3 741 620	6,30%	6,49%

Shareholders	Number of shares at 30.06.2024	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 455 748	9,19%	9,56%
Tsvetan Borisov Alexiev	5 035 153	8,48%	8,82%
Chavdar Velizarov Dimitrov	4 817 386	8,12%	8,44%
Veselin Antchev Kirov	4 767 386	8,03%	8,35%
Ognyan Plamenov Chernokozhev	3 741 620	6,30%	6,55%

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

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

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

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

4.2. Management authorities

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

The Board of Directors as of 30.09.2024 includes the following members:

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



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

The current mandate of the Board of Directors: 05.07.2026

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

Competencies of the management

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

Stock options of the company

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

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

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

Committees in The Company

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

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

Yordan Nedev – chairman
Tsvetan Alexiev – member (until 20.03.2024)
Stanislav Tanushev – member (after 20.03.2024)
Georgi Marinov – member

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

Georgi Marinov – chairman
Martin Paev – member
Yordan Nedev – member

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

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

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

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

Adopted internal documents

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



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

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

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

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

Shareholders	Number of shares at 30.09.2024	Number of shares at 30.06.2024	Nominal VALUE (BGN)	Value (BGN)	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 461 898	5 455 748	1	5 461 898	9,20%	9,47%
Tsvetan Borisov Alexiev	5 025 153	5 035 153	1	5 025 153	8,47%	8,71%
Chavdar Velizarov Dimitrov	4 817 386	4 817 386	1	4 817 386	8,12%	8,35%
Veselin Anchev Kirov	4 767 386	4 767 386	1	4 767 386	8,03%	8,27%
Atanas Kostadinov Kiryakov	1 545 287	1 542 787	1	1 545 287	2,60%	2,68%
Yavor Ludmilov Djonev	1 092 746	1 092 746	1	1 092 746	1,84%	1,89%
Martin Veselinov Paev	126 920	126 920	1	126 920	0,21%	0,22%
Yordan Stoyanov Nedev	3 433	3 433	1	3 433	0,01%	0,01%
Peyo Vasilev Popov	100	100	1	100	0,0002%	0,0002%
Total	22 840 309	22 841 659		22 840 309	38,48%	39,60%

During the period the member of the BD Georgi Parvanov Marinov has acquired 6 150 shares, the member of the BD Atanas Kostadinov Kiryakov has acquired 2 500 shares and the member of the BD Tsvetan Borisov Alexiev has sold 10 000 shares of the capital of the company.



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

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

Name	Company	Period: 01.01.2024 - 30.09.2024 (BGN)
Tsvetan Borisov Alexiev	"Sirma Group Holding" JSC	(136 530)
Yordan Stoyanov Nedev	"Sirma Group Holding" JSC	(15 660)
Georgi Parvanov Marinov	"Sirma Group Holding" JSC	(15 660)
Atanas Kostadinov Kiryakov	"Sirma Group Holding" JSC	(15 660)
Veselin Anchev Kirov	"Sirma Group Holding" JSC	(15 660)
Martin Veselinov Paev	"Sirma Group Holding" JSC	(15 660)
Peyo Vasilev Popov	"Sirma Group Holding" JSC	(15 660)
Yavor Ludmilov Djonev	"Sirma Group Holding" JSC	(15 660)
Chavdar Velizarov Dimitrov	"Sirma Group Holding" JSC	(13 644)
Total		(259 794)

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

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, INCLUDING THE NAME OF THE MEMBERS OF THE COMMITTEE AND A MANDATE SUMMARY ON WHICH THE COMMITTEE FUNCTIONS

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

Angel Petrov Kraychev - chairman

Alexander Todorov Kolev - member

Veselin Anchev Kirov – member

STATEMENT ON WHETHER THE COMPANY COMPLIES OR DOES NOT 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

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



5/ "SIRMA GROUP HOLDING" JSC IN Q3 2024

Summary

The global economy is stabilizing, but inflation remains high in some economies, preventing central banks from cutting interest rates. Risks of geopolitical fragmentation and confrontation also remain. The ICT sector is expected to witness significant growth, which is mainly focused in preparation for GenAI by the IT giants of the world.

Forecast for the economy of Bulgaria in 2024 and for the future years

Despite more modest expectations, Bulgaria's economy is forecast to grow by 1.9% ([Economic Forecast Bulgaria, EC, May, 2024](#)) in 2024. This growth should accelerate to 2.9% in 2025, mainly driven by the recovery of external demand, respectively, of Bulgarian production and exports.

From the beginning of 2024, the Bulgarian economy experienced:

- political instability;
- limited external demand;
- strong decline in exports and production;
- reduced investments;
- and continued price pressure.

What held back a more significant reduction in economic growth in 2024 was:

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

Despite an expected recovery in exports in 2024, some of the slowdown from 2023 has carried over into 2024. Strong domestic consumption will persist, although it will not grow at the pace of 2023. After mid-2024, a smooth recovery is expected, strengthening the demand from other European countries and thereby increasing Bulgaria's exports. A recovery of investments is also expected, and they will mainly come along the lines of utilization of European funds, including the Fund for the Recovery and Sustainability of Bulgaria.

Annual inflation ([National Institute of Statistics](#)) fell from 8.7% in June 2023 to 2.5% in June 2024. For the whole of 2023, inflation was reported at 8.6%. The fall in inflation is expected to continue in the coming years. It can be argued that inflation in Bulgaria is under control, as in 2024 it is expected to be 3.4%, with an expected decline to 2.9% in 2025.

The **risks** to the development of the Bulgarian economy in 2024 are:

- Escalation of the war in Ukraine: low probability / strong impact;
- Postponing the implementation of investment projects and keeping the insignificant investments in the economy from the last 3 years: strong probability / strong impact;
- Continued political instability: strong probability / strong impact;
- Inflation and rising interest rates on loans: low probability / average impact;
- Recession in some of the major trading partners (Germany) and reduction of Bulgaria's exports to them: medium probability / strong impact;
- Increase in the prices of energy carriers: low probability / strong impact;
- Slow rate of utilization of funds under European program: strong probability / strong impact;
- Delayed implementation of the National Recovery Plan: strong probability / strong impact;

Forecast for development of global economy in 2024 and for the future years

The global economy has demonstrated resilience, and the process of its stabilization continues. The IMF forecasts ([World Economic Outlook, July 2024, IMF](#)) that the growth of world GDP will be 3.2% in 2024 and 3.3% in 2025.

While these expectations are the same as expectations from the beginning of the year, there are some dynamics in the various economies during this period – the slowdown in some is offset by an acceleration in others. In the US, after several quarters of overperformance, there was a sharp cooling in the first and second quarters of 2024, driven by modest domestic consumption and a negative contribution from trade. A decline in GDP was also observed in Japan, which was mainly due to decreased consumer spending, persisting inflation, a temporary shutdown of production at a major car plant in the first quarter, and related supply difficulties. On the other hand, the countries of the Eurozone have probably bottomed out and are starting their slow recovery. This recovery is most significant in the service sector. China also posted a better-than-expected first half in 2024, driven by a moderate pick-up in domestic consumption and some stimulus in exports (linked to global demand growth in late 2023).

Despite these optimistic expectations, some of the risks from last year remain. Rising trade tensions in various parts of the



world may slow down economic stabilization and overall economic growth. In addition, the global contraction in inflation is slowing in mid-2024. The reason is the containment of inflation in the service sector. This also delays the possibility of normalizing monetary policy worldwide.

Risks to the world's economic development still remain. Such risks are:

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

After a prolonged period of stagnation in 2023, the European economy began its recovery (European Commission, Spring 2024 Economic Forecast). A change in trend was noticed as early as the first quarter of 2024, and is expected to continue for the rest of the year as well as in 2025. Forecast GDP growth is 1% for the EU and 0.8% for the Eurozone in 2024. This growth is expected to strengthen to 1.6% in the European Union in 2025. Private consumption (driven by wage and job growth, as well as falling inflation) is expected to be the main driver of this recovery.

The sharp decline in the prices of energy resources throughout 2023 contributed significantly to the reduction of inflation. In 2024, inflation continues to shrink, but at a slower pace. In the EU, inflation is expected to decrease from 6.4% in 2023 to 2.7% in 2024 and 2.2% in 2025.

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 have been the fastest and most sustainably growing in the past ([Gartner, July, 2024](#)). Currently, 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 growth in both segments even during the turbulent past years, as well as expectations for continued growth in 2024 and beyond.

Expectations for 2024 are that both segments will not only maintain their growth - 12.6% for "Software" and 7.1% for "IT Services", but that this growth will be sustainable and will accelerate in the near years.

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, that is expected to continue in the following years.

The global ICT market in 2024 and future forecast

After a better-than-expected 2023, Gartner revised its forecasts for the development of the ICT market in 2024 ([Gartner, July, 2024](#)) and its expectations for 2025. 2024 is expected to bring the impressive growth of 7.5% in current prices, or 8.9% at constant prices. The ICT market is expected to reach USD 5.1 trillion in 2024.

Unlike the previous few years, in 2024 all ICT segments are expected to grow. Nevertheless, the different rate of growth persists: "Data center systems" are expected to grow by as much as 25%, while "Communication services" by only 3%. After parity with TELCO in absolute spending in 2023, in 2024 "IT services" become the leading segment in the ICT sector.



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

	2023 Spending	2023 Growth (%)	2024 Spending	2024 Growth (%)
Data Center Systems	236,098	4.0	293,091	24.1
Devices	692,784	-6.5	730,125	5.4
Software	974,089	11.5	1,096,913	12.6
IT Services	1,503,698	4.9	1,609,846	7.1
Communications Services	1,491,733	3.2	1,537,188	3.0
Overall IT	4,898,401	3.8	5,267,163	7.5

Source: Gartner (July 2024)

Gartner revised its growth expectations from 10% from the beginning of 2024 for "Data Center Systems" to as much as 24% growth in mid-2024. These expectations are related to the preparation for Generative AI (GenAI) of all technology giants. One of the sub-segments of "Data Center Systems" is dedicated servers. Server sales in 2024 are expected to grow by an impressive 41.5% in constant prices, with this growth driven entirely by sales of servers ready to meet the needs of AI and GenAI. Although the growth is significant, Gartner believes that it is just beginning, and the needs of AI and GenAI will strongly contribute to the growth of sales of "Devices" in the coming years.

Sources of growth

IT investment growth is maintained for all countries worldwide in 2024. India is expected to break away from all countries in the growth of its IT spending, with growth exceeding 12%. The largest IT market in the US is expected to record strong growth again, approaching 8% in 2024, rivaling spending in China. European countries are slightly behind, but are also expected to record steady growth of around 7%. Japan and Latin American countries recorded the most modest growth of around 5%. However, it should be noted that even this weaker growth of 5% per year would have looked impressive 10 years ago.

The growth of IT spending is related to the IT saturation of the respective economy and the related IT spending per capita. The countries that lead the ranking in terms of growth are those that have realized that their economic development is related to IT.

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

The graph is 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. This process started in 2023 and is expected to continue in the coming years. 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.

All segments are expected to grow in 2024, accelerating (around 8%) compared to last year's expectations (around 6%). For the first time, the "Servers" sub-segment is outpacing standard growth expectations, posting an impressive 41.5% growth through 2024 and 17.3% CAGR

through 2028. Around USD 100 billion is expected to be spent on servers tailored to meet the needs of AI. These investments are only expected to accelerate, reaching USD 200 billion in 2028. The preparations for AI are also driving other sub-segments of "Devices", including consumer ones - "Mobile Phones" and "PCs".

The "Software" and "IT services" segments maintain their traditionally sustainable growth.

The expected average growth for 2024 is expected to be 8%, with approximately the same CAGR 2023 -2028. Something striking is the huge difference in growth (which is also negative for some sub-segments) between the fastest growing and the slowest growing sub-segments: Infrastructure as a Service (IaaS) continues to be unable to fit into the chart due to its impressive growth of 22.4% in 2024, while fixed voice services are shrinking by over 5%.

When looking at the components of growth in the leading segment "Software", huge differences can again be observed between the development of its various sub-segments - from -7% to +27%. In this segment, growth of 10% is seen as "laging". Gartner believes the world is still in the "digital construction" stage, building the digital infrastructure needed to drive sales growth, increase efficiency, and, more recently, increase margins. The leading segments we can expect in the near future to be strengthened by the addition of artificial intelligence (which is currently not yet a major market factor).

It is also interesting to note the massive dominance of cloud software relative to non-cloud solutions. Although the latter have their place in the future as well, the cloud software has recorded (and is expected to continue to record) a much stronger growth, which suggests the full focus of the market on cloud solutions. Almost all sub-segments are already predominantly "in the cloud", and this share is only expected to increase in the coming years.

The various components of the third (2024) dynamic segment - "IT services" also have very different growth relative to each other. The growth of "Infrastructure as a service" is also difficult to fit on the graph. All IT services related to access to the cloud and the "edge" are expected to have strong growth. IT services in "Design" and "Building" in all their varieties are expected to have significant growth in 2024, as well as in the coming years. These are also the markets where the problem of the shortage of skilled labor 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 out for them is to hire "Managed services". Hence the dramatic growth of "Managed services for the cloud" (Managed services for 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" and more, with a growth of about 10%.

Design-related services are expected to see the fastest growth in 2024. Gartner suggests that the incorporation of AI capabilities into "Risk Management", "Business Operations", and "Consulting" is also the reason for this growth in Design-related services.



For a long time, the "Communication Services" segment was the largest in the ICT sector. From 2024 onwards, this will no longer be the case. "IT services" displaced "TELCO" from the first place (USD 1.6 trillion in 2024), and are expected to maintain their leading growth in the coming years.

The "Software" sub-segment market is also expected to eclipse TELCO, but only in 2028.

PARTICIPATION IN MANAGEMENT AND IMPLEMENTATION OF CONTROL ON THE SUBSIDIAR COMPANIES

In Q3 2024, as in previous periods, Sirma Group Holding's senior management was actively involved in the management of its subsidiaries. The high expertise and accumulated experience of Sirma Group Holding's managers helped companies to formulate their development goals and strategies as well as their business and financial plans. As a

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

MARKETING

In operational terms, the annual marketing strategy and budget of the "Sirma Group Holding" JSC for 2024 ensured the planning, development and successful implementation of the following activities:

1. Creating, developing and maintaining a general knowledge of the Sirma brand through a range of activities that help for successful branding and corporate communications - public relations, investor relations, public institutions, company employees, general public. They included internet marketing, online meetings, helping managers and managers with marketing materials for their investment tours, press interviews, TV, radio, participation in specialized and high profile business events.

2. Building a strong employer brand and affirming the company as an attractive place to work, career development and realization of own innovative ideas for creating new software products and solutions, working with the most advanced technologies, entering new market niches. A favorable environment has been created and the innovation process in companies is regularly promoted. Social media is actively used for informal communication with employees, engaging in important causes, informing about upcoming

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

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

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

FINANCIAL ACTIVITY -

ASPECTS AND MANAGEMENT OF FINANCIAL RESOURCES OF HOLDING AND GROUP

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

I. Goals

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

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

As an **operational objective** of financial management, "Sirma Group Holding" JSC has determined the maintenance

of the solvency of the company and the Group companies as an opportunity to service all emerging uncontested payments.

II. Execution of functions

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

- a) Financial planning - plans of "Sirma Group Holding" JSC and of all companies of the Group for a one-year and mid-term period were prepared.
- b) Co-ordination of the financial activity - "Sirma Group Holding" JSC coordinated the activities of all the companies in the Group for the fulfillment of the general



objectives of the financial activity management and for the implementation of unified policies in this activity;

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

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

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

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

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

- ACCOUNTING SERVICES

In Q3 2024 "Sirma Group Holding" JSC performed the accounting services of 20 subsidiaries and associated companies and related companies. In addition to regular accounting services, management is presented with various BI reports built as know-how of the Group. The FAD of "Sirma Group Holding" JSC achieved monthly reporting of results at individual and group level. The department also

- LEGAL SERVICES

The legal department of "Sirma Group Holding" JSC carries out legal services to the companies of the Group, which includes the preparation of corporate documents; assistance with the preparation and implementation of the GMS; preparation of any commercial documents and contracts; settlement of commercial disputes; conducting court cases.

- MANAGEMENT OF RISKS

The management of the risks of "Sirma Group Holding" JSC is the responsibility of the Board of Directors. In his activities, he is assisted by the Investment and Risk Committee. The holding also supports its subsidiaries for risk management.

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

In "Sirma Group Holding" JSC a sophisticated risk management system has been set up.

III. Completed tasks

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

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

3. Optimization of the monetary turnover - synchronization by size and time of the receipts and payments for the normal service of the undisputed payments.

4. Ensure maximum profit at a given level of risk.

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

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

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

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

Risk management in the "Sirma Group Holding" includes:

- Risk identification - This is a lengthy process that detects potential threats. In order to identify the expected and predictable risks, different methods are used: questionnaires (interview questionnaires), interviews, brainstorming, document analysis, a list of expected and predictable risks (checklist analysis), based on a previous experience
- Qualitative and quantitative risk analysis - Once the potential risks have been identified, a qualitative and quantitative analysis of each of them is required. The likelihood of occurrence and impact through predefined scales is estimated, for example Probability: very small, small, medium, large or very large; Impact: catastrophic, critical, permissible, insignificant.



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

- Planning actions to overcome the risk

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

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

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

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

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

IMPACT OF 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" JSC is not dependent on patents or licenses, industrial, commercial or financial contracts, as well as new production processes.

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

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

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

SIGNIFICANT CHANGES IN NET SALES OR REVENUES DISCLOSED IN THE ACCOUNTS

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

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

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

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



EVENTS AND BUSINESS NEWS IN Q3 2024

The following events and business news took place in Q3 2024:

17.09.2024

Conducting an extraordinary general meeting of "Sirma Group Holding" JSC and publishing the Minutes from the meeting.

17.09.2024

The classes of the fifth season of Sirma Academy begin.

13.09.2024

Disclosure of purchase of shares from "Sirma Group Holding" JSC by member of the Board of Directors Atanas Kiryakov.

12.09.2024

Disclosure of the purchase of shares from "Sirma Group Holding" JSC by the Chairman of the Board of Directors, Georgi Marinov.

10.09.2024

The leading CRM platform Creatio is now available in Bulgarian thanks to the efforts of the daughter company Sirma Insurtech JSC.

27.08.2024

Disclosure of the sale of shares from "Sirma Group Holding" JSC by the Executive Director Tsvetan Alexiev.

22.08.2024

Disclosure of the consolidated financial statements of "Sirma Group Holding" JSC as of 30.06.2024.

22.08.2024

Announcement of the purchase of the minority share of the capital of "S&G Technology Services" LTD by the subsidiary "Sirma Solutions" JSC.

05.08.2024

Publication of the Invitation to the extraordinary general meeting of the shareholders of "Sirma Group Holding" JSC.

26.07.2024

Disclosure of the individual financial statements of "Sirma Group Holding" JSC as of 30.06.2024.

23.07.2024

Disclosure of received approval from the Financial Supervisory Service for the consolidation of subsidiaries in "Sirma Group Holding" JSC.

01.07.2024

Disclosure of sale of own shares by "Sirma Group Holding" JSC.

28.06.2024

Disclosure of Minutes of the General Meeting of Shareholders of "Sirma Group Holding" JSC and Notification of Dividend.

27.06.2024

Holding a regular annual meeting of the shareholders of "Sirma Group Holding" JSC.

21.06.2024

Notice of initiation of the acquisition procedure of the Romanian company RoWeb.

18.06.2024

The subsidiary "Engview Systems Sofia" JSC presented the latest version of its packaging software at the DRUPA 2024 exhibition.

13.06.2024

Notice of launch of consolidation procedure of "Sirma Group Holding" JSC

04.06.2024

Sirma representatives took part in the international fintech exhibition Money 20/20 in Amsterdam.



03.06.2024

Announcement of the complete purchase of the minority share of the ownership of the subsidiary "Sirma Solutions" JSC by "Sirma Group Holding" JSC.

29.05.2024

Disclosure of sale of own shares by "Sirma Group Holding" JSC.

24.05.2024

Publication of the accompanying documents for the General Shareholders' Meeting of "Sirma Group Holding" JSC.

17.05.2024

Announcement of the Invitation to a regular general meeting of the shareholders of "Sirma Group Holding" JSC.

17.05.2024

Disclosure of sale of shares by a person closely related to "Sirma Group Holding" JSC - "Sirma Solutions" JSC.

15.05.2024

Disclosure of interim consolidated reports of "Sirma Group Holding" JSC as of 31.03.2024.

30.04.2024

Disclosure of interim individual reports of "Sirma Group Holding" JSC as of 31.03.2024.

29.04.2024

Announcement by "Sirma Group Holding" JSC of the purchase of the minority share from the subsidiary "Sirma Insurtech" JSC.

26.04.2024

Publication of the audited consolidated reports of "Sirma Group Holding" JSC for the year 2023.

23.04.2024

VP of Sirma's financial vertical, Mr. Tsvetomir Doskov, took part in the Banking Today event.

28.03.2024

The telemedicine system developed by Sirma Medrec-M Clinic launched new features and a new app. It now links doctors to the NHS.

27.03.2024

Disclosure of the purchase of 700.000 shares from "Sirma Group Holding" JSC from the daughter company "Sirma Solutions" JSC.

26.03.2024

The CEO of "Sirma Group Holding" JSC shares in an interview for Forbes the plans of the Group for growth and for structural improvements.

25.03.2024

Disclosure of strategic plan for consolidation of the activity and property within "Sirma Group Holding" JSC.

The main guidelines of the Consolidation Strategy are:

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

19.03.2024

Disclosure of audited individual financial reports of "Sirma Group Holding" JSC for the period ending on 31.12.2023.

01.03.2024

Momchill Zarev and Fabrice Gouttebroze from Sirma took part in Finovate Europe in London.

28.02.2024

Disclosure of interim consolidated financial reports of "Sirma Group Holding" JSC for the period ending on 31.12.2023.

02.02.2024

Sirma demonstrates the double materiality of its activity, which brings sustainability both to the Group, as well as to its clients.



31.01.2024

Sirma Group enters into strategic partnership with UK based fintech Fimple UK.

30.01.2024

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

29.01.2024

Disclosure of finalized financial audit of "Sirma Group Holding" JSC by BDO AFA OOD, which concluded full compliance between initial documents and booked data for the reviewed periods.

25.01.2024

Disclosure of 1 000 000 share buy-back by "Sirma Group Holding" JSC.

15.01.2024

The ranking system for universities developed by Sirma was used for their ranking for 2023.

09.01.2024

Sirma shares how its telemedicine solutions are facilitating the advance of the ESG agenda.

04.01.2024

Sirma shares first results of the constructed in 2023 own photovoltaic system.

MAIN LEGAL INFORMATION IN Q3 2024

Transactions with shares for the period 01.01.2024 - 30.09.2024:

- **Buyback of shares**

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

- **Purchase of shares by subsidiary company**

On 26.03.2024 "Sirma Solutions" EAD – a subsidiary of "Sirma Group Holding" JSC, bought 700 000 shares from the capital of "Sirma Group Holding" JSC, through transactions, made on the Bulgarian Stock Exchange - Sofia AD, at an average price of BGN 0,729917 per share. The shares represent 1.18% of the company's capital.

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

On 15.04.2024 "Sirma Group Holding" JSC concluded contracts for the purchase of shares with three individuals and one legal entity, owners of the minority package of shares of "Sirma Insurtech" AD. The total number of shares is 178 200, and the total sale value of the shares is BGN 561 950. As a result of the transaction, "Sirma Group Holding" JSC becomes the sole owner of "Sirma Insurtech".

In one of the share purchase agreements with one of the persons, there is a commitment by the Group to transfer to that person an additional number of shares from "Sirma Group Holding" JSC as of 31.01.2026, if the price of the shares of "Sirma Group Holding" JSC is below a certain value.

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

On 26.04.2024 "Sirma Group Holding" JSC concluded contracts for the purchase of shares with two individuals, owners of the minority package of shares of "Sirma CI" AD. The total number of shares is 26 600, and the total sale value of the shares is BGN 141 918. As a result of the transaction "Sirma Group Holding" JSC become the sole owner of "Sirma CI".

- **Sale of shares by subsidiary company**

On 16.05.2024 "Sirma Solutions" EAD – a subsidiary of "Sirma Group Holding" JSC, sold 732 389 shares from the capital of "Sirma Group Holding" JSC through transactions carried out on the unregulated over-the-counter market (Bulgaria) at an average price per share of BGN 0,80. The purchase represents 1.23% of the capital of "Sirma Group Holding" JSC.



- **Sale of shares by the company**

On 28.05.2024 "Sirma Group Holding" JSC sold 500 988 of its shares at an average price of BGN 0,85 per share for a total value of BGN 425 839,80. The shares represent 0,84% of the company's capital. The sale was made on an unregulated OTC market (Bulgaria).

"Sirma Group Holding" JSC sold 590 183 of its shares at an average price of BGN 0,96 per share for a total value of BGN 566 575,68. The shares represent 0,99% of the company's capital. The sale was carried out on an unregulated OTC market (Bulgaria) and was registered by the Central Depository on 02.07.2024.

- **Purchase by "Sirma Solutions" EAD of shares from the capital of "Sirma Business Consulting" AD**

"Sirma Solutions" EAD – a daughter company of "Sirma Group Holding" JSC bought the minority share of 45,91% of the capital (BGN 2 539 768) of the company "Sirma Business Consulting" AD. On 3 June 2024 "Sirma Solutions" EAD was registered in the Commercial Register as the sole owner of the capital of "Sirma Business Consulting" EAD.

- **Initiation of procedure for consolidation within "Sirma Group Holding" JSC**

At its meeting on 13 June 2024 the Board of Directors of "Sirma Group Holding" JSC adopted a decision to initiate a procedure for the transformation of "SIRMA GROUP HOLDING" JSC under the conditions and in accordance with Chapter XVI of the Commercial Law and Art. 122 et seq. of the Public Offering of Securities Act, by merging SIRMA CI EAD, SIRMA INSURTECH EAD, SIRMA SOLUTIONS EAD, SIRMA BUSINESS CONSULTING EAD, SCIANTECH EAD and HRM SOLUTIONS EAD in "SIRMA GROUP HOLDING" JSC.

On 17.09.2024 the Extraordinary General Meeting of Shareholders approved the decision and the contract for consolidation by merger.

- **Commitments**

On 20 June 2024, the Company has signed a contract, initiating the procedure for the acquisition of a majority stake in the IT company RoWeb Development SRL, Romania.

The successful finalization of the transaction is related to the fulfillment of certain conditions by both parties, the implementation of which will make Sirma the owner of 51% of the capital of the Romanian company.

- **Purchase from "Sirma Solutions" EAD of shares from the capital of "S&G Technology Services"**

On 21.08.2024 "Sirma Solutions" EAD (subsidiary of "Sirma Group Holding" JSC) bought the minority share of 49% of the capital of the company "S&G Technology Services", London (subsidiary of "Sirma Solutions" EAD) . With this acquisition, Sirma Solutions EAD becomes the 100% owner of S&G Technology Services, London.

Litigation for the period 01.01.2024 - 30.09.2024:

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

Other legal information for the period 01.01.2024 - 30.09.2024:

- **Reduction of capital**

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

- **The business consolidation strategy**

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

- Objective of the Strategy: By strengthening the vertical specialization of services, achieving organic and inorganic (through acquisitions) sales growth up to EUR one hundred million and listing on a major world stock exchange;
- Time frame: 2023 – 2026;
- Continuation of the process of consolidation of ownership in subsidiaries;
- Maximum consolidation of the number of companies in the Group (with the exception of foreign companies);



- Full transition to a vertical business organization with the following main verticals: Financial Services; Transport and Logistics; Hospitality; Industrial; Insurance; Healthcare; Retail.
- Adequate restructuring and optimization of management in the Group and full use of all synergies.

- **Notification for the distribution of dividend for 2023**

At the General Meeting of Shareholders of "Sirma Group Holding" JSC held on 27 June 2024, following a discussion under item 4 of the previously announced Agenda, the following decision for distribution of dividend for 2023 was taken:

"Distribution of profit from 2023:

- Realized profit after taxes: BGN 1 508 408,05;
- Distribution to the reserve fund (10%): BGN 150 840,81;
- Remaining profit for distribution for 2023: BGN 1 357 567,25;

The company distributes a dividend of BGN 0.02 per share.

The remainder of the amount after distribution of dividend remains as retained earnings."

All shareholders of "Sirma Group Holding" JSC registered in the Central Depository as of the 14th day after the holding of the above-mentioned GMS (11 July, 2024) have the right to receive a dividend, according to Article 115c, paragraph 3 of the POSA.

The dividend will start to be paid out within 60 days from the holding of the above-mentioned GMS according to the requirements of the Central Depository.

Shareholders who have accounts with investment intermediaries will receive their dividend through them.

Shareholders who are not serviced by investment intermediaries, and whose shares are kept in personal accounts of Register "A" with the Central Depository, will receive their dividends through the branch network of a commercial bank.

- **Approval by the Financial Supervision Commission (FSC)**

With decision No. 483 - PD dated 18.07.2024, the Financial Supervision Commission (FSC) approved the Agreement dated 14.06.2024 for transformation by merger of "Sirma CI" EAD, "Sirma Insurtech" EAD, "Sirma Solutions" EAD, "Sirma Business Consulting" EAD, "Sciart" EAD and "HRM Solutions" EAD in "Sirma Group Holding" JS according to Art. 262g of the Trade Law.

6/ INDIVIDUAL FINANCIAL RESULTS

6.1. REVENUES

	30.09.2024	30.09.2023	Change	Change
	BGN '000	BGN '000	(BGN '000)	(%)
Revenues from sales	2 466	2 267	199	8,78%
Dividend income	1 390	1 509	(119)	(7,89%)
Rental income from investment properties	504	519	(15)	(2,89%)
Interest income	5	9	(4)	(44,44%)
Gain on sale of non-current assets	-	2	(2)	(100%)
Other revenues	23	22	1	4,55%
Total	4 388	4 328	60	1,39%

In Q3 2024 the revenues of "Sirma Group Holding" JSC increased by BGN 60 thousand or by 1,39% compared to Q3 2023.

Revenues in the period include interest and sale of investments, since the business of acquiring businesses and parts of them, as well as the provision of loans and the receipt of deposits is the main activity of the holding company.



6.5. EQUITY

	30.09.2024 BGN '000	31.12.2023 BGN '000	Change (BGN '000)	Change %
Share Capital	59 361	59 361	-	-
Purchased own shares	(1 689)	(1 781)	92	(5,17%)
Share premium reserve	6 016	5 855	161	2,75%
Other reserves	1 609	1 458	151	10,36%
Retained earnings	6 831	6 627	204	3,08%
Current financial result	1 082	1 509	(427)	(28,30%)
Total equity	73 210	73 029	181	0,25%

In Q3 2024, Equity decreased by BGN 181 thousand compared to the end of 2023.

6.6. LIABILITIES

The amount of the liabilities of "Sirma Group Holding" JSC at the end of Q3 2024 is with BGN 1 325 thousand (7,77%) more than their value at the end of 2023.

	30.09.2024 BGN '000	31.12.2023 BGN '000	Change (BGN '000)	Change %
Pension employee obligations	60	60	-	-
Long-term lease liabilities	150	192	(42)	(21,88%)
Long-term related party payables	17 206	16 148	1 058	6,55%
Total Non-current liabilities	17 416	16 400	1 016	6,20%

	30.09.2024 BGN '000	31.12.2023 BGN '000	Change (BGN '000)	Change %
Employee obligations	268	114	154	135,09%
Short-term lease liabilities	55	53	2	3,77%
Trade and other payables	285	185	100	54,05%
Short-term related party payables	349	296	53	17,91%
Total Current liabilities	957	648	309	47,69%



Long-term and short-term bank loans

Recipient of credit	In Bank	Type of loan	Currency	Total amount of credit (BGN)	Outstanding obligation to 30.09.2024 (BGN)	Date of contract	Interest rate	Maturity date	Pledges
Loans for which the Issuer is a debtor									
Sirma Group Holding JSC	Unicredit BulBank AD	Overdraft	BGN	2 800 000	-	15.12.2022	The applicable variable interest rate for the relevant interest period +1.5 points, but not less than 1.5%	15.12.2025	Pledge of receivables
Loans for which the Issuer is a guarantor									
Sirma Solutions EAD	United Bulgarian Bank AD	Overdraft	BGN	4 025 000	-	12.12.2019	RIR + 1.2%, but no less than 1.3% per year	20.09.2024	Pledge of receivables, pledge of commercial enterprises, pledge of real estate
Sirma Solutions EAD	United Bulgarian Bank AD	Revolving credit line	BGN	4 000 000	-	28.10.2020	RIR + 1.4%, but no less than 1.5% per year	20.09.2024	Pledge of receivables
Sirma Solutions EAD	United Bulgarian Bank AD	Overdraft	BGN	2 080 000	47 776	15.12.2022	The applicable variable interest rate for the relevant interest period +1.5 points, but not less than 1.5%	15.12.2025	Pledge of receivables
Sciant EAD	Unicredit BulBank AD	Overdraft	BGN	500 000	-	18.5.2020	The applicable variable interest rate for the relevant interest period +2 points, but not less than 2.08%	8.4.2025	Pledge of receivables
Sciant EAD	Unicredit BulBank AD	Overdraft	BGN	500 000	-	7.4.2022	The applicable variable interest rate for the relevant interest period +2 points, but not less than 2.08%	7.4.2025	Pledge of receivables
EngView Sistsms JSC	Unicredit BulBank AD	Overdraft	BGN	1 000 000	-	15.12.2020	The applicable variable interest rate for the relevant interest period +2 points, but not less than 2.08%	14.12.2025	Pledge of receivables



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

Lender	Recipient	United identification code	Relationship	Type	Currency	Liability as of 30.09.2024 (BGN '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
SAI	Sirma Medical Systems	204054855	Subsidiary	Loan	BGN	1 612	20.12.2022	2.80	31.12.2025	No pledges
SAI	Sirma Group Holding	200101236	Parent company	Deposit	BGN	2 050	18.07.2023	0.1	31.12.2025	No pledges
SAI	Saifort		Company under common control	Loan	ILS	22	21.02.2024	2.5	31.12.2025	No pledges
SAI	Sirma Solutions	040529004	Company under common control	Loan	BGN	1 649	28.05.2024	2	31.12.2024	No pledges
Sirma Group Holding	Sirma ICS	203940550	Company under common control	Loan	BGN	13	23.01.2017, 31.01.2021	1.3	31.12.2024	No pledges
Sirma Group Holding	Pirina Technolgies	175149906	Company under common control	Loan	BGN	295	10.01.2022	2	31.12.2025	No pledges
Sirma Group Holding	Sirma InsurTech	205982173	Subsidiary	Loan	BGN	960	03.10.2022	1.3	31.12.2024	No pledges
Sirma Solutions	Sirma Group Holding	200101236	Parent company	Deposit	BGN	15 156	29.10.2020, 27.06.2017, 20.09.2017	0.1	31.12.2025	No pledges
Sirma Solutions	*Individual S.S.		Non related party	Loan	BGN	150	20.09.2017	3	31.12.2024	No pledges
Sirma Solutions	*Individual S.S.		Non related party	Loan	BGN	133	31.05.2022	2	31.12.2024	No pledges
Sirma InsurTech	HRM Solutions	206096810	Subsidiary	Loan	BGN	283	14.07.2021	3.2	31.12.2024	No pledges
EngView Systems	EngView Systems GmbH		Subsidiary	Loan	EUR	81	05.12.2022	3	31.12.2025	No pledges
EngView Systems	EngView Systems Inc.		Subsidiary	Loan	USD	31	01.02.2024	2	01.02.2029	No pledges
Sciart	Sciart 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“ JSC and its subsidiaries:

Recipient	Lender	United identification code	Relationship	Type	Currency	Liability as of 30.09.2024 (BGN '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
Sirma Medical Systems	SAI	200356710	Company under common control	Loan	BGN	1 612	20.12.2022	2.80	31.12.2025	No pledges
Sirma Group Holding	Sirma Solutions	040529004	Subsidiary	Deposit	BGN	15 156	29.10.2020	0.1	31.12.2025	No pledges
Sirma Group Inc	Worklogic Canada		Non related company	Loan	USD	85	31.07.2017	0,01	31.12.2024	No pledges
Sirma InsurTech	*Individual Y.M.		Related party	Loan	BGN	37	30.08.2022	2.9	31.12.2024	No pledges
Sirma InsurTech	Sirma Group Holding	200101236	Parent company	Loan	BGN	960	03.10.2022	1.3	31.12.2024	No pledges
Sirma Group Holding	SAI	200356710	Subsidiary	Deposit	BGN	2 050	18.07.2023	0.1	31.12.2025	No pledges
Sirma Solutions	SAI	200356710	Company under common control	Loan	BGN	1 649	28.05.2024	2	31.12.2024	No pledges

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



6.7. CASH FLOW

	30.09.2024 BGN '000	30.09.2023 BGN '000	Change (BGN '000)	Change %
Net cash flow from operating activities	(29)	(1 043)	1 014	(97,22%)
Net cash flow from investing activities	(385)	(1 691)	1 306	(77,23%)
Net cash flow from financing activities	285	370	(85)	(22,97%)
Net change in cash	(129)	(2 364)	2 235	(94,54%)
Exchange gains/(losses) on cash	-	(2)	2	(100%)
Cash at the beginning of the year	1 131	3 671	(2 540)	(69,19%)
Cash at the end of the year	1 002	1 305	(303)	(23,22%)

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

6.8. INDICATORS AND COEFFICIENTS

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

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

Indicators BGN '000	30.09.2024	30.09.2023/ 31.12.2023	Change	
			(Abs.)	(%)
Revenue from operating activities	4 388	4 328	60	1,39%
Cost of sales	(3 090)	(2 333)	(757)	32,45%
Gross profit	1 298	1 995	(697)	(34,94%)
Other operating costs	(185)	(106)	(79)	74,53%
Operating profit	1 113	1 889	(776)	(41,08%)
Financial costs	-	4	(4)	n/a
Financial income	(31)	(130)	99	(76,15%)
Profit before tax expense	1 082	1 763	(681)	(38,63%)
Tax expense	-	(281)	281	(100%)
Net profit	1 082	1 482	(400)	(26,99%)
Dividend	(1 154)	(2 849)	1 695	(59,49%)
Cash	1 002	1 131	(129)	(11,41%)
Short-term assets	4 183	3 201	982	30,68%
Total amount of assets	91 583	90 077	1 506	1,67%
Average arithmetic total asset value for 5 quarters	90 907	91 133	(226)	(0,25%)
Current liabilities	957	648	309	47,69%
Debt	205	245	(40)	(16,33%)
Liabilities (borrowed funds)	18 373	17 048	1 325	7,77%
Equity	73 210	73 029	181	0,25%
Equity averaged for 5 quarters	73 232	74 067	(835)	(1,13%)
Turnover capital	3 226	2 553	673	26,36%
Number of shares at the end of the period (in thousands)	59 361	59 361	-	-
Interest expenses	(18)	(103)	85	(82,52%)
Weighted average share price of last trading session	1,095	0,745	0,35	46,98%
Last share price of last trading session	1,12	0,76	0,36	47,37%



Indicators	30.09.2024	30.09.2023/ 31.12.2023	Change	
			(Abs.)	(%)
EBITDA	1 599	2 319	(720)	(31,05%)
DEPRECIATION	(499)	(453)	(46)	10,15%
EBIT	1 100	1 866	(766)	(41,05%)
FIN/INVEST NET	(31)	(126)	95	(75,40%)
EBT	1 082	1 763	(681)	(38,63%)
ROA	0,0118	0,0165	(0,00464)	(28,19%)
ROA(BSE)	0,0119	0,0163	(0,00436)	(26,81%)
Debt/EBITDA Ratio	0,1282	0,1056	0,02256	21,35%
Quick Ratio	4,3710	4,9398	(0,5689)	(11,52%)
ROE (BSE)	0,0148	0,0200	(0,0052)	(26,16%)
ROE	0,0148	0,0200	(0,0052)	(26,16%)
EBITDA	0,2510	0,2334	0,0175	7,51%
Profitability ratios				
Gross profit margin	0,2958	0,4610	(0,1651)	(35,83%)
Operating profit margin	0,2536	0,4365	(0,1828)	(41,89%)
Net profit margin	0,2466	0,3424	(0,0958)	(27,99%)
Coefficients for assets and liquidity				
Assets turnover ratio	0,0483	0,0475	0,0007	1,54%
Assets turnover ratio (BSE)	0,0483	0,0475	0,0008	1,64%
Operating cycle	1,3602	1,6953	(0,3351)	(19,76%)
Current ratio	4,3710	4,9398	(0,5689)	(11,52%)
Quick ratio	4,3710	4,9398	(0,5689)	(11,52%)
Cash ratio	1,0470	1,7454	(0,6983)	(40,01%)
Odds per share				
P/S ratio	14,8132	10,2181	4,5951	44,97%
P/E ratio	60,0742	29,8407	30,2335	101,32%
P/B ratio	0,8879	0,6056	0,2823	46,62%
Revenue per share	0,0739	0,0729	0,0010	1,39%
Earnings per share	0,0182	0,0250	(0,0067)	(26,99%)
Book value of equity per share	1,2337	1,2477	(0,0141)	(1,13%)
Development Ratios				
Revenue growth	0,0139	(0,6639)	0,6778	n/a
Gross profit growth	(0,3494)	(0,7051)	0,3557	(50,45%)
Assets growth	0,0167	0,0065	0,0102	157,09%
Leverage Ratios				
Debt/total assets	0,0023	0,0027	(0,0004)	(16,12%)
Debt/capital	0,0028	0,0033	(0,0005)	(15,33%)
Debt/equity	0,0028	0,0033	(0,0005)	(15,37%)
Total assets/equity	1,2414	1,2304	0,0109	0,89%
Market value of the company	66 484	45 114	21 370	47,37%



6.9 RELATED PARTY TRANSACTIONS

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

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

Transactions with subsidiaries

	30.09.2024	30.09.2023
	BGN'000	BGN'000
Purchases of goods and services		
Purchases of services:		
- Software services	(40)	(19)
- Internet	(16)	(19)
- Consulting services	(20)	-
- Seminars and training	-	(1)
- Subscriptions	(30)	-
Purchases of goods:		
- Office supplies	(1)	(3)
- Inventory	-	(3)
- Computer components	-	(1)
Purchases of LTFA	(9)	(34)
Sales of goods and services		
Sales of services		
- Administrative, accounting services	2 383	1 996
- Rent	396	410
- Consulting services	6	-
- Technical Support	5	8
Sales of goods:		
- Consumables	66	66
Dividends received	1 390	1 509
- Received deposits	1 648	13 622
- Deposits received refunded	(590)	(514)
- Loans given	(660)	(550)
- Refunded loans given	636	64
- Interest on received loans	(13)	(8)
- Interest on loans given	5	9

Transactions with other related parties

	30.09.2024	30.09.2023
	BGN'000	BGN'000
Sale of services		
- Administrative, accounting services	3	196
- Rent	6	7
- Technical Support	-	5
- Interest on loans given	-	4

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:

	30.09.2024	30.09.2023
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries including bonuses	(260)	(262)
Social security costs	(4)	(4)
Total remunerations	<u>(264)</u>	<u>(266)</u>

The company has paid dividends to key management personnel as of 30.09.2024 in the amount of BGN 254 thousand (30.09.2023 - BGN 1 024 thousand).



7/ PERSONNEL AND ECOLOGY

7.1 ECOLOGY

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

7.2 PERSONNEL

The Company believes that its employees play a key role in the development of its business and the overall corporate goals and therefore pays special attention to the development of a common human resources management

strategy and policies. Sirma Group Holding's policies in this regard are aimed at stimulating the responsibility and motivation of the staff to fulfill the assigned tasks and objectives.

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

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

"Sirma Group Holding" JSC	30.09.2024	30.09.2023
	Number of employees	Number of employees
Labour contract	24	20
Contract for management and control	9	9
Total	33	29

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

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

8/ RISK FACTORS

Risk management objectives and policies

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

The Company's risk management is coordinated at its headquarters, in close co-operation with the board of directors and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

The Company 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 Company is exposed are described below.

8.1 Market risk analysis

The Company 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 in Ukraine unfolded, strong inflationary pressures arose, but they weaken and annual inflation for the period September 2024 compared to September 2023, as measured by National Statistical Institute with the Harmonized Index of Consumer Prices (HICP) fell to 1,5%.



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 Company, which could lead to an unexpected contraction of consumer demand and, accordingly, future revenues.

8.1.1.1 Foreign currency risk

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

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

8.1.1.2 Interest rate risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates.

At 30 September 2024, the Company is not exposed to a significant risk of changes in market interest rates on the company's overdraft. All other financial assets and liabilities of the Company have fixed interest rates.

8.2 Credit risk

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

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

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

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to a single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a small number of customers in single industry and geographical area. 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.

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

8.3 Liquidity risk

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

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

Financial assets used for managing liquidity risk

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company'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.



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

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

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

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

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

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

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



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

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

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

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

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

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

- adherence to a particular management and accounting policy disclosed in the financial statements;
- carrying out all operations in compliance with the laws and regulations; coverage of all events and operations in a timely manner, with the exact amount of the amounts in the appropriate accounting articles.
- accounts and the relevant reporting period so as to allow the financial statements to be prepared in accordance with the specific accounting framework;

- observance of the precautionary principle in the valuation of assets, liabilities, income and expenses;
- detection and termination of frauds and errors;
- completeness and regularity of accounting information;
- preparation of reliable financial information;
- adherence to international financial reporting standards and adherence to the going concern principle.

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

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



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

No changes during the period considered.

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

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

17/ DETAILS OF THE DIRECTOR FOR CONNECTIONS WITH THE INVESTOR, INCLUDING A TELEPHONE AND ADDRESS FOR CORRESPONDENCE.

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

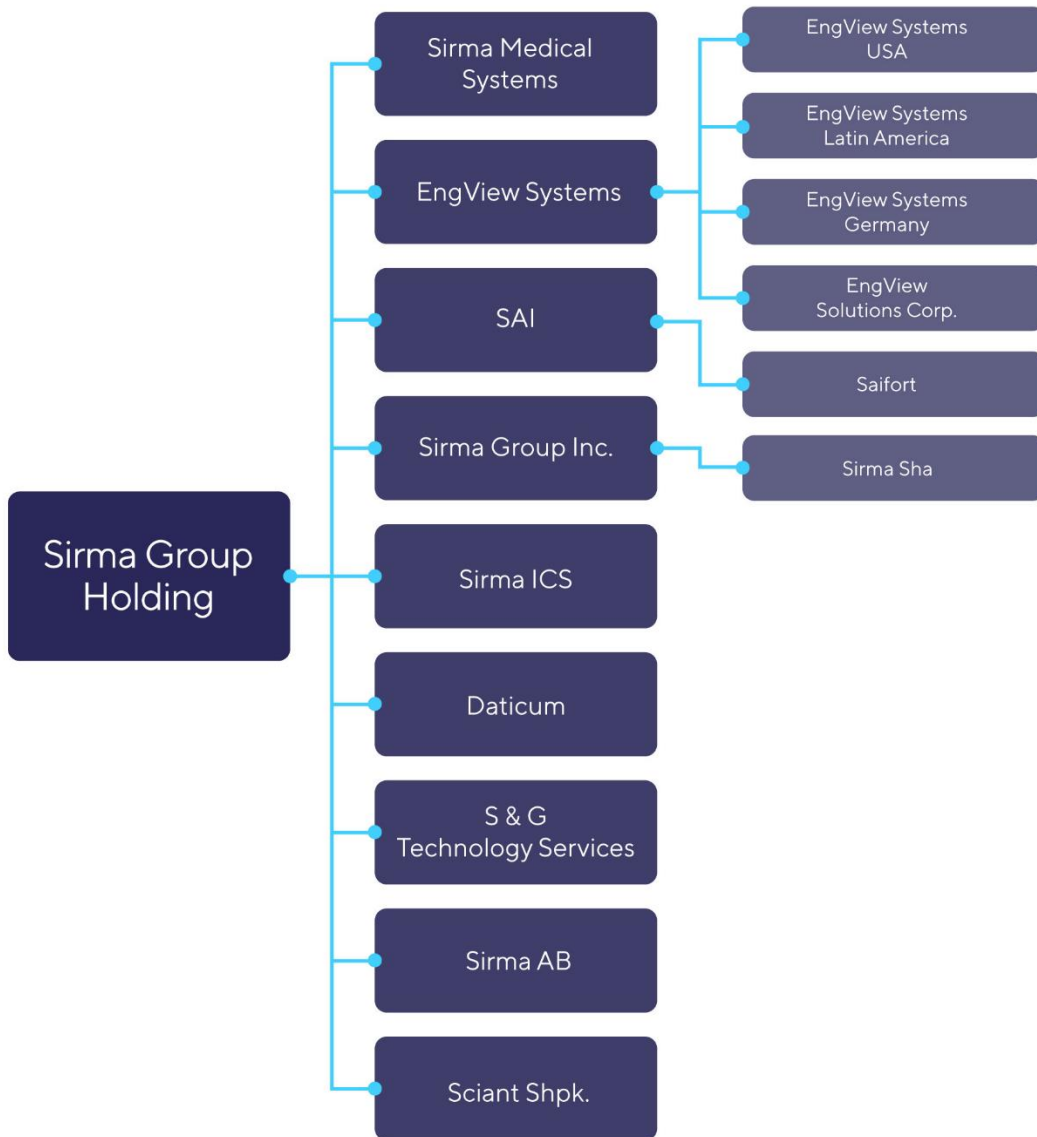


19/ EVENTS AFTER THE END OF THE REPORTING PERIOD

Merger of subsidiary companies into "Sirma Group Holding" JSC

The administrative organization and management are carried out by the Board of Directors of "Sirma Group Holding" JSC, which has a two-year mandate and is elected by the General Assembly of the company. The current composition of the Board of Directors was elected at the General Meeting of Shareholders on 27 July 2024, and has a mandate until 27 July 2026:

After the successful consolidation, the organization chart of Sirma Group looks like this:



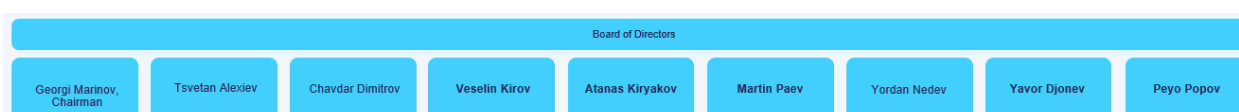
The intended effect of these mergers includes (but is not limited to):

- Reduction of administration and related costs;
- Vertical specialization and full focus on the relevant sector or segment;
- Overcoming internal competition between different subsidiaries;
- Greater transparency of activity, revenue, and profit.

As a result of the consolidation, the holding activity of "Sirma Group Holding" JSC is also enriched with operational activity of providing IT products and services to its customers.

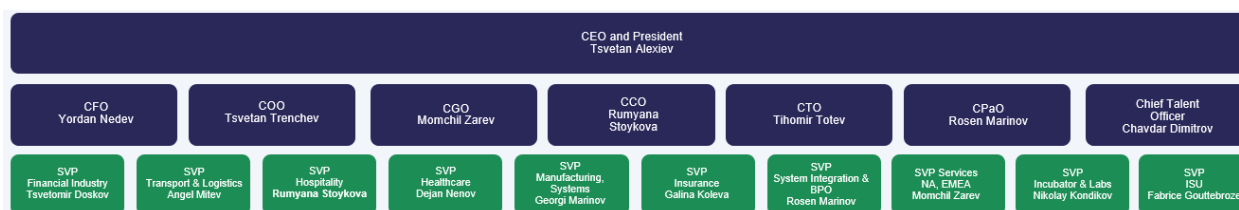
Administrative organization and management

The administrative organization and management are carried out by the Board of Directors of "Sirma Group Holding" JSC, which has a two-year mandate and is elected by the General Assembly of the company. The current composition of the Board of Directors was elected at the General Meeting of Shareholders on 27 June 2024:



Business organization and management

In addition to the administrative organization and management, a business organization and management is also introduced, where the directors are responsible for various aspects of the company's business:



The position of CEO (administrative-management position) is performed together with the position of President (business-management position). This facilitates full synchronization between the two management structures. The position is currently held by Mr. Tsvetan Alexiev.

The specialization of the individual directors is as follows:

- CFO (Chief Financial Officer) Mr. Yordan Nedev
- COO (Chief Operating Officer), Mr. Tsvetan Trenchev
- CGO (Chief Growth Officer), Mr. Momchil Zarev
- CCO (Chief Commercial Officer), Mrs. Romyana Stoykova
- CTO (Chief Technology Officer), Mr. Tihomir Totev
- CPaO (Chief Partner Officer), Mr. Rosen Marinov
- CTaO (Chief Talent Officer), Mr. Chavdar Dimitrov

To support the activities of the business directors, senior vice president positions (SVP) are distinguished according to the main verticals of specialization, as follows:

- Business vertical system integration

The system integration business vertical is led by Senior Vice President Rosen Marinov. The vertical has two vice presidents who are respectively responsible for Sirma Group's cloud services and cyber security. The vertical team offers its customers system integration, cloud services, and cyber security services. The target market is mainly Bulgarian financial institutions,



insurance companies, healthcare related organizations, multinational companies with operations in Bulgaria and state and municipal administrations.

- Business vertical financial industry

The financial industry business vertical is led by senior vice president Tsvetomir Doskov. The business vertical is the second most profitable in Sirma Group. The mission of this business vertical is to guide financial institutions on their path to digitization and implementation of artificial intelligence in their operations. The vertical's target customers are small and medium-sized banks and fintech companies. The activity of the "Financial Industry" vertical is divided into 5 segments - Financial Services, Financial Consulting, Oracle, Temenos, and IT Solutions.

- Business vertical hospitality

The hospitality business vertical is led by Senior Vice President Rumyana Stoykova. The team from this vertical offers IT solutions, consulting, system integration, and data analysis to its hospitality industry clients. The vertical's target customers are hotel groups, tour operators, travel agencies, and technology providers for the hospitality industry. The vertical has one vice president.

- Business vertical IT services

The business vertical IT services is led by senior vice president Momchil Zarev. The efforts of the team and its two vice presidents are focused on cross-industry services, cross-selling, and services to the public sector.

- Business vertical production

The business vertical production is led by Senior Vice President Georgi Marinov. The main segments in this vertical are two – packaging manufacturing software and industrial measurement software. This vertical has one vice president.

- Business vertical transport and logistics

The transport and logistics business vertical is led by Senior Vice President Angel Mitev. The target customers of this vertical are freight forwarders, couriers, transport companies, and terminal operators. The team from this vertical offers IT solutions and consulting to its clients and has two vice presidents.

- Business vertical insurance

The insurance business vertical is led by Senior Vice President Galina Koleva. The vertical has three vice presidents and two lines of business, servicing respectively insurance companies and insurance brokers. The vertical team offers its clients IT business solutions, IT security products, and compliance related services.

- Business vertical healthcare

The healthcare business vertical is led by Senior Vice President Deyan Nenov. This vertical serves one of the most promising industry segments.

In addition to the eight business verticals, two additional units are also distinguished:

- Incubator and laboratories

The Incubator and Laboratories Unit is headed by Senior Vice President Nikolay Kondikov. The unit's mission is to develop new products and services, explore new potential markets, and create new technologies for use in Sirma Group's business solutions.

- International services

The International Services Unit is led by Senior Vice President Fabrice Gouttebroze. The unit's mission is to increase sales revenue in international markets across all verticals.



Acquisition of a majority stake in Roweb Development SA, Romania

On 23.10.2024, the procedure for acquiring a majority stake in the IT company Roweb Development SA, Romania, was completed. The transaction has the following parameters:

- Name of the acquired company: Roweb Development SA, Romania;
- Size of acquired share of the company: 51% of the capital of the company Roweb Development SA;
- Year of foundation of the company: 2004;
- Number of employees: over 140;
- Revenue: RON 31 117 thousand (EUR 6 198 thousand) for 2023 (15% growth compared to 2022);
- EBITDA: RON 6 415 thousand (EUR 1 277 thousand) for 2023 (16% growth compared to 2022);
- Specialization: IT services mainly focused on web applications for the financial sector, real estate agents, human resources and tourism.

As of today, Roweb Development SA officially becomes part of Sirma Group. This acquisition will increase Sirma Group's revenue from sales in Romania and other target markets, while complementing the Group's IT services portfolio.

Additional information about Roweb Development SA can be found on the company's website: <https://www.roweb.ro/>

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

Sofia
30.10.2024

CEO: 

Tsvetan Alexiev

