



Interim Separated Management Report

of "Sirma Group Holding" JSC
for the period 01.01.2024 - 31.12.2024

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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 31 December 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 31 December 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 31 December 2024. The report includes the activity of "Sirma Group Holding" JSC.



2/ ORGANIZATION AND WAY OF PRESENTATION

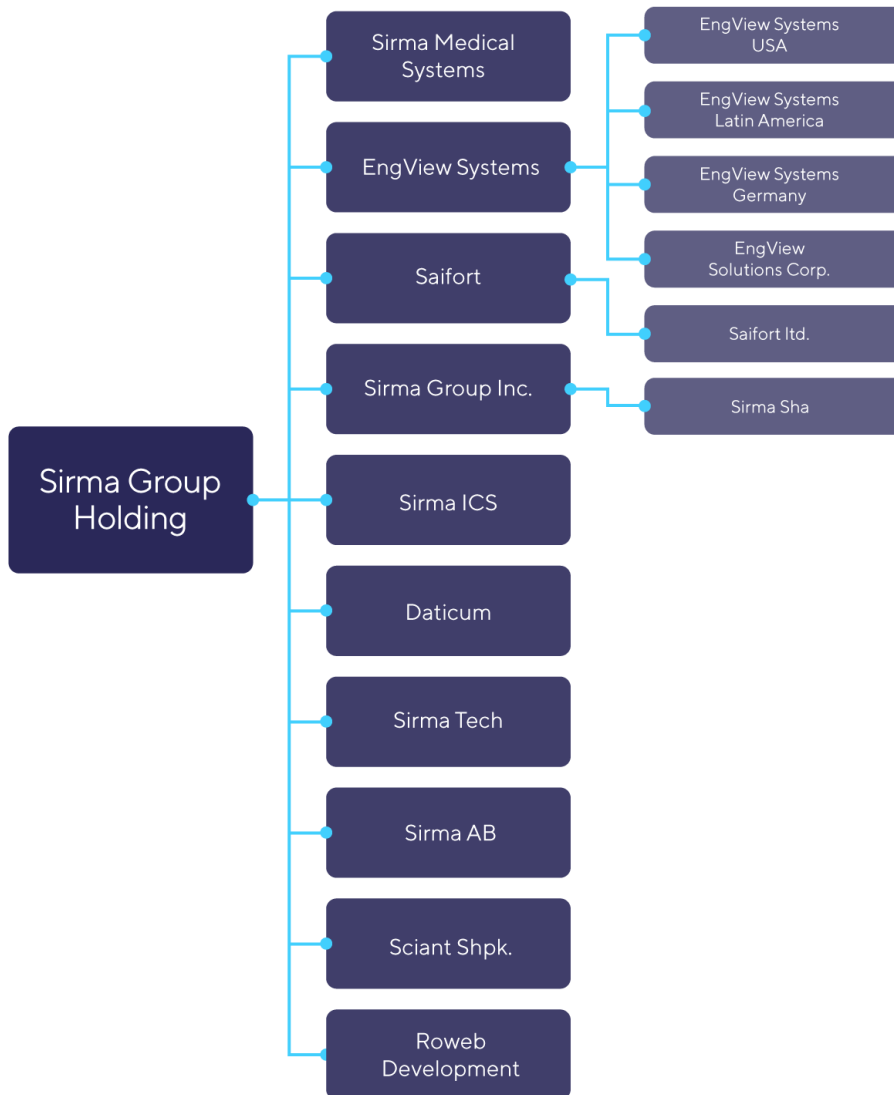
"Sirma Group Holding" JSC is a holding company which invests in technological businesses, manages them strategically and operationally, provides its subsidiaries with management, administrative, marketing and financial services.

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 31.12.2024 (in BGN'000)	Percentage of capital at 31.12.2024	% of voting rights at 31.12.2024	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
„Saifort EAD (SAI EAD)	17 865	100%	100%	17 865	84,56%	100%
Roweb Development	11 331	51,00%	51,00%	-	0,00%	0,00%
Sirma Group Inc.	6 537	100%	100%	3 471	76,30%	76,30%
Daticum AD	468	59%	59%	-	0,00%	0,00%
Sirma Tech (S&G Technology Services)	417	100%	100%	-	0,00%	0,00%
"Sirma AB"	338	100%	100%	-	0,00%	0,00%
"Sirma ICS" AD	279	93,00%	93,00%	-	0,00%	0,00%
Sciانت Shpk (ReSolutions Shpk)	256	100%	100%	-	0,00%	0,00%
"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%
"Sirma ISG" OOD	4	71%	71%	-	0,00%	0,00%
„Sirma Solutions" EAD- incorporated	-	0,00%	0,00%	39 686	100%	100%
"Sciانت" EAD - incorporated	-	0,00%	0,00%	14 076	100%	100%
„Sirma InsurTech" EAD - incorporated	-	0,00%	0,00%	914	55,00%	55,00%
„Sirma CI" EAD - incorporated	-	0,00%	0,00%	106	80,00%	80,00%

*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 31.12.2024 the distribution of the share capital of "Sirma Group Holding" JSC is as follows:

	31.12.2024	30.09.2024
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	1 160	1 151
Including legal entities	43	43
Individuals	1 117	1 108
Number of shares held by legal entities	7 214 055	6 867 613
% Of participation of entities	12,15%	11,57%
Number of shares held by individuals	52 146 463	52 492 905
% Participation of individuals	87,85%	88,43%

Shareholders	Number of shares at 31.12.2024	Number of shares at 30.09.2024	Nominal value (BGN)	Value (BGN)	% Shareholding	% of voting rights*
Georgi Parvanov Marinov	5 461 898	5 461 898	1	5 461 898	9,20%	9,47%
Tsvetan Borisov Alexiev	5 025 153	5 025 153	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	1 996 209	1 990 209	1	1 996 209	3,36%	3,46%
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	1 689 236	1	1 689 236	2,85%	-
Atanas Kostadinov Kiryakov	1 555 287	1 545 287	1	1 555 287	2,62%	2,70%
Yavor Liudmilov Djonev	1 068 046	1 092 746	1	1 068 046	1,80%	1,85%
Mandjukov Ltd.	860 000	860 000	1	860 000	1,45%	1,49%
Peter Nikolaev Konyarov	803 538	803 538	1	803 538	1,35%	1,39%
UPF Doverie JSC	747 036	747 036	1	747 036	1,26%	1,30%
DF Advance Invest	738 822	718 335	1	738 822	1,24%	1,28%
UPF DSK Rodina	702 126	802 126	1	702 126	1,18%	1,22%
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	13 527 094	13 438 881	1	13 527 094	22,79%	23,46%
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 31.12.2024 „Sirma Group Holding“ JSC holds 1 689 236 (30.09.2024 - 1 689 236) 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 31.12.2024	% 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 30.09.2024	% 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%

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 31.12.2024 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 31.12.2024	Number of shares at 30.09.2024	Nominal VALUE (BGN)	Value (BGN)	% Shareholding	% of voting rights
Georgi Parvanov Marinov	5 461 898	5 461 898	1	5 461 898	9,20%	9,47%
Tsvetan Borisov Alexiev	5 025 153	5 025 153	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	1 555 287	1 545 287	1	1 555 287	2,62%	2,70%
Yavor Ludmilov Djonev	1 068 046	1 092 746	1	1 068 046	1,80%	1,85%
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	22 825 609	22 840 309		22 825 609	38,45%	39,58%

During the period the member of the BD Atanas Kostadinov Kiryakov has acquired 10 000 shares and the member of the BD Yavor Ludmilov Djonev has sold 24 700 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 - 31.12.2024 (BGN)
Tsvetan Borisov Alexiev	"Sirma Group Holding" JSC	(199 530)
Yordan Stoyanov Nedev	"Sirma Group Holding" JSC	(22 326)
Georgi Parvanov Marinov	"Sirma Group Holding" JSC	(22 326)
Atanas Kostadinov Kiryakov	"Sirma Group Holding" JSC	(22 326)
Veselin Anchev Kirov	"Sirma Group Holding" JSC	(22 326)
Martin Veselinov Paev	"Sirma Group Holding" JSC	(22 326)
Peyo Vasilev Popov	"Sirma Group Holding" JSC	(22 326)
Yavor Ludmilov Djonev	"Sirma Group Holding" JSC	(22 326)
Chavdar Velizarov Dimitrov	"Sirma Group Holding" JSC	(20 310)
Total		(376 122)

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 Q4 2024

Summary

The global economy has shown resilience in the face of numerous challenges in recent years. Forecasts are for continued growth, albeit at a more modest pace. Despite these optimistic forecasts, risks to continued growth remain high and weigh on the downside. Against this economic backdrop, the ICT industry continues to grow at a rapid pace, outpacing GDP growth by double. This growth is largely driven by global ICT giants and the preparation for AI and GenAI.

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

GDP growth is projected to accelerate from 2.4% in 2024 to around 3% in 2025 and 2026, supported by domestic demand and exports ([Economic Forecast Bulgaria, EC, May, 2024](#)). Increasing incomes are expected to support robust growth in private consumption. Investment financed by the Recovery and Resilience Programme is expected to strengthen gross fixed capital formation, while exports are set to catch up with external demand. Inflation is projected to decline to 2.3% in 2025, before accelerating moderately in 2026 due to persistent services inflation. The fiscal deficit is projected to increase to 2.6% of GDP in 2024 and to reach 2.8% in 2025 and 2026, driven by public sector pension and wage bill spending. Government debt is expected to grow to 24.5% of GDP by 2026.

Following the energy price shock in 2022 and weak external demand in 2023, the Bulgarian economy is poised to grow faster, supported by domestic and external demand, as well as an expansionary fiscal stance. In the first half of 2024, private consumption increased by 4.8% year-on-year on the back of strong wage growth amid a tight labor market and declining consumer price inflation. Bank lending to households strengthened in 2024 amid strong competition for market share. The expansion was mainly financed by higher domestic deposits, while banks also reduced their net foreign assets. The pace of private consumption growth is expected to slow in the second half of this year and over the next two years, amid declining wage growth and higher savings rates. Fixed capital investment performed less well in the first half of 2024, following a solid expansion in 2023, while inventory accumulation recovered after a sharp contraction last year. The implementation of the Resilience and Recovery Program is expected to support stronger investment activity by 2026. Exports have also recovered and are expected to catch up with external demand in the remainder of 2024 and beyond. Overall, GDP growth is projected to accelerate from 2.4% in 2024 to around 3% in 2025 and 2026.

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 1.2% in September 2024. For the whole of 2023, inflation was reported at 8.6%. The decline 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 2.5%, with an expected decline to 2.3% 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 is resilient, and the process of stabilization is ongoing. The IMF ([World Economic Outlook, October 2024, IMF](#)) forecasts that world GDP growth will be 3.3% in 2024 and will decline slightly to 3.2% in 2025 and 2026.

The global fight against inflation has been successful, and although rates still remain high in some countries, the results are good in most. After peaking in the third quarter of 2022 at 9.4%, headline inflation rates are expected to be 3.5% by the end of 2025. These levels are below the average inflation of 3.6% for the period 2000-2019. In addition, despite coordinated monetary tightening around the world, the global economy remains unexpectedly resilient. GDP growth is expected to remain stable at around 3.2% in 2024 and 2025, in spite of difficulties in some countries. Despite the above optimistic results and forecasts, the resilience of the global economy is being tested multiple times. The shocks to global supply chains since 2020 have had lasting consequences for many countries and regions. This is most visible in the divide between developed and developing economies. While the former have managed to rebuild their economies, the latter are experiencing a sustained contraction.

Despite the apparent containment of average inflation rates, with prices holding steady and even falling for some foods, service price inflation is showing resilience. This is partly a result of wages catching up with the effects of high inflation in previous years. This has also led a number of central banks to hold off on easing their monetary anti-inflationary measures, which is putting public finances under pressure (especially in countries with high debt servicing requirements).

Similar forecasts are made by the OECD ([OECD Economic Outlook, Interim Report December 2024](#)), which expects growth in the top 20 economies to stabilize at around 3.3% in 2024-2026.

Growth prospects vary considerably across regions. GDP growth in the United States is forecast to be 2.8% in 2025, before slowing to 2.4% in 2026. In the euro area, the recovery in real household incomes, tight labour markets and lower interest rates continue to support growth. Euro area GDP growth is forecast at 1.3% in 2025 and 1.5% in 2026. Growth in Japan is expected to increase by 1.5% in 2025, but then decline to 0.6% in 2026. China is expected to continue to slow down, with GDP growth at 4.7% in 2025 and 4.4% in 2026.

According to the December 2024 OECD report, significant risks remain to future economic developments. Geopolitical tensions pose short-term risks, public debt ratios are high and medium-term growth prospects are very weak.

The forecast highlights the continuing uncertainty. The escalation of ongoing conflicts in the Middle East could disrupt energy markets and negatively impact confidence and growth. Rising trade tensions could hamper trade growth. Adverse surprises related to the growth outlook or the path of disinflation could trigger disruptive corrections in financial markets. Growth could also surprise to the upside. Improvements in consumer confidence, for example if purchasing power recovers more quickly than expected, could boost spending. Early resolution of major geopolitical conflicts could also improve sentiment and lower energy prices.

Increased geopolitical tensions risk disrupting energy markets and supply chains, potentially leading to higher inflation and a slowdown in economic activity. More broadly, these tensions have created headwinds for trade in both advanced and emerging markets, heightening uncertainty about the future course of global trade. A more fragmented, protectionist trading environment and inward-looking policies would negatively impact competition, raise prices, and hinder productivity and growth, while weighing on the potential of emerging market economies to catch up.

"Policy actions need to safeguard macroeconomic stability – through monetary easing that is carefully calibrated to ensure that inflationary pressures are contained and through fiscal policy that restores fiscal space to leave room to accommodate future spending pressures. To boost productivity and the foundations for growth, we need to improve efforts in education and skills development, lift overly restrictive restrictions on business investment, and successfully address the structural increase in labour shortages," said OECD Secretary-General Matyash Korman.

"Structural reforms are essential to lay the foundations for stronger, sustainable growth," said OECD Chief Economist Alvaro Pereira. "Labour shortages are already a challenge for firms in many countries, and aging populations will only make this worse. Policy actions must ensure that skills evolve with the demands of labor markets and that labor force participation, especially of older workers and women, increases.

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 widespread stagnation that began in 2023, the European economy has started its recovery ([European Commission, Autumn November 2024 Economic Forecast](#)). A change in trend was already noticeable in the first quarter of 2024, and is expected to persist for the rest of the year, albeit at a slower pace. Private consumption (driven by wage and job growth, as well as falling inflation) is expected to be the main driver of this recovery.

The autumn forecast projects real GDP growth in 2024 of 0.9% in the EU and 0.8% in the euro area. For the EU, this is 0.1 percentage points lower than in the spring forecast, while for the euro area it remains unchanged. Growth in the EU is expected to increase to 1.5% in 2025, as consumption picks up and investment recovers from the contraction in 2024. In 2026, economic activity is expected to grow by 1.8%, driven by a continued expansion in demand. Growth in the euro area is expected to follow a similar pattern, reaching 1.3% in 2025 and 1.6% in 2026.

The disinflationary process that began towards the end of 2022 continued into the summer of 2024. Despite a slight increase in October, largely driven by energy prices, headline inflation in the euro area is expected to fall by more than half in 2024, from 5.4% in 2023 to 2.4%, before declining more gradually to 2.1% in 2025 and 1.9% in 2026. In the EU, the disinflationary process is expected to be even sharper in 2024, with headline inflation falling to 2.6% from 6.4% in 2023 and continuing to decline to 2.4% in 2025 and 2.0% in 2026.

The sharp decline in energy prices throughout 2023 contributed significantly to the reduction in inflation. In 2024, inflation continues to decline, but at a slower pace. Inflation in the EU is expected to decline from 6.4% in 2023 to 2.6% in 2024 and 2.4% in 2025.

However, the positive forecasts are threatened by the existing risks to the development of the EU. The EU's economic outlook remains highly uncertain, with risks largely pointing to the downside. Russia's ongoing aggressive war against Ukraine and the intensified conflict in the Middle East fuel geopolitical risks and the continued vulnerability of European energy security. Further increases in protectionist measures by trading partners could weigh on global trade,

with a negative impact on the highly open EU economy. Low productivity growth could make it difficult for firms to sustain wage growth, leading them to either reduce their workforce or pass on rising costs to consumers. Furthermore, delays in implementing the RRF or a more restrictive fiscal stance in 2026 while the MTFSP is being implemented could further slow economic activity. Finally, the recent floods in Spain illustrate once again the dramatic consequences that the increasing frequency and scale of natural disasters can have not only for the people affected and their habitats, but also for the economy.

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, October, 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.

The expectations for 2024 are that both segments will not only maintain their growth - 11.7% for "Software" and 5.6% for "IT Services", but that this growth will be sustainable and will accelerate in the coming 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), Insurance (The platform for insurance broker of Sirma ICS and the IT services of Sirma Group Holding JSC), hospitality (Sirma Group Holding JSC), 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 has revised its forecasts for the development of the ICT market in 2024 ([Gartner, October, 2024](#)) and its expectations for 2025. 2024 is expected to bring an impressive growth of 7.2% at current prices or 8.2% at constant prices. The ICT market is expected to reach USD 5.3 trillion in 2024.

Unlike the previous few years, all ICT segments are expected to grow in 2024. Nevertheless, the different growth rates remain: Data center systems are expected to grow by as much as 34.7%, while communication services by only 2%. After parity with TELCO in absolute spending in 2023, "IT services" becomes the leading segment in the ICT sector in 2024, responsible for USD 1.6 trillion in spending.

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

	2024 2024 Growth		2025 2025 Growth	
	Spending	(%)	Spending	(%)
Data Center				
Systems	318,008	34.7	367,171	15.5
Devices	735,764	6.2	805,722	9.5
Software	1,087,800	11.7	1,239,779	14.0
IT Services	1,587,913	5.6	1,737,754	9.4
Communication	1,530,299	2.0	1,596,890	4.4
Services				
Overall IT	5,259,784	7.2	5,747,317	9.3

Source: Gartner (October 2024)

The bulk of this significant growth in the sector, as will be illustrated below, is due to large ICT giants, and not so much to medium and small ICT companies.

Gartner revised its expectations for growth from 10% since the beginning of 2024 of "Data Center Systems" to a full 34.7% growth in its 2024 October forecast. These expectations are related to the preparation for Generative AI of all technology giants. One of the sub-segments of "Data Center Systems" is specialized AI servers. Server sales in 2024 are expected to grow by an impressive 62% in constant prices, and this growth is entirely due to the sale 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 contribute greatly to increasing 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 situation 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%) from the previous year's estimate of around 6%). For the first time, the Servers sub-segment is outperforming the standard growth expectations, posting an impressive 62% growth in 2024 and an 18.8% CAGR through 2028. Spending of around USD 100 billion is expected for servers tailored to meet the needs of AI. This investment is only expected to accelerate, reaching USD 200 billion by 2028. AI readiness is also driving other sub-segments of Devices, including consumer devices such as 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 12.2% for "Software" and 6.5% for "IT Services", with the CAGR 2023-2028 being approximately the same. 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 "lagging". 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%.

As can be seen from the chart, 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 Q4 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.

- ACCOUNTING SERVICES

In Q4 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.

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) investment - 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.

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 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.

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.

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.

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;

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.

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.



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 Q4 2024

The following events and business news took place in Q4 2024:

30.12.2024

Information of sale of 10,400 shares by Yavor Djonev – a member of the Board of directors of "Sirma Group Holding" JSC.

19.12.2024

Information of purchase of 10,000 shares by Atanas Kiryakov – a member of the Board of directors of "Sirma Group Holding" JSC.

16.12.2024

Information of sale of 5,200 shares by Yavor Djonev – a member of the Board of directors of "Sirma Group Holding" JSC.

12.12.2024

Information of sale of 11,100 shares by Yavor Djonev – a member of the Board of directors of "Sirma Group Holding" JSC.

29.11.2024

Disclosure of the consolidated financial statements of "Sirma Group Holding" JSC as of 30.09.2024.

29.11.2024

Information of purchase of 6000 shares by Iliana Ilieva – a person closely related to a member of the Board of directors of "Sirma Group Holding" JSC.

21.11.2024

"Sirma Group Holding" JSC receives an ESG rating by LSEG.

12.11.2024

A team from Sirma took part at the Webit Summit in Lisbon, with Chief Growth Officer Momchil Zarev holding a presentation on employing AI in banking solutions.

01.11.2024

"Sirma Group Holding" JSC is distinguished with the award of PWC and BSE for its contribution to ESG development.

28.10.2024

Kiril Vasilev – VP of Sirma's "Insurance Broker Solutions" shares plans for future growth.

24.10.1024

Sirma's clients Bulstrad Life Vienna Insurance Group and D Bank receive awards at NEXT DiFi for solutions developed by Sirma.

30.10.2024

Disclosure of the individual financial statements of "Sirma Group Holding" JSC as of 30.09.2024.



23.10.2024

The procedure for the acquisition of a majority stake in the IT company Roweb Development SA, Romania, was finalized.

08.10.2024

The Registry Agency registered the merger by infusion of "Sirma CI" JSC, "Sirma Insurtech" JSC, "Sirma Solutions" JSC, "Sirma Business Consulting" JSC, "Sciant" JSC and "HRM Solutions" JSC with "Sirma Group Holding" JSC according to Art. 262g of Commercial Code.

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 NHIS.

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 Q4 2024

Transactions with shares for the period 01.01.2024 - 31.12.2024:

- **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.

- **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.

- **Merger of subsidiary companies into "Sirma Group Holding" JSC**

Following the decision of the Board of Directors of "Sirma Group Holding" JSC, approval by the Financial Supervisory Commission on 18 July 2024 and the decision of the General Meeting of Shareholders of "Sirma Group Holding" JSC from 17 September 2024, the subsidiaries "Sirma CI JSC", "Sirma Insurtech" JSC, "Sirma Solutions" JSC, "Sirma Business Consulting" JSC, "Scient" JSC and "HRM Solutions" JSC were transformed through merger into the parent company "Sirma Group Holding" JSC. The circumstance was entered in the Registration Agency on 8 October 2024.

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. Rumyana Stoykova
- CTO (Chief Technology Officer), Mr. Tihomir Totev
- CPaO (Chief Partner Officer), Mr. Rosen Marinov
- CTaO (Chief Talent Officer), Mr. Chavdar Dimitrov

- **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.

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/>

Litigation for the period 01.01.2024 - 31.12.2024:

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

Other legal information for the period 01.01.2024 - 31.12.2024:

- **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.

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

On 02.12.2024, "S&G Technology Services" - a subsidiary of "Sirma Group Holding" JSC in England, changed its name to "Sirma Tech". On 30.12.2024, "SAI" EAD - a subsidiary of "Sirma Group Holding" JSC, changed its name to "Saifort" EAD.

6/ RESULTS BY SEGMENTS

Management determines the operating segments based on the main products and services offered by the Company.

The operating segments of the Company are as follows: System Integration, Hospitality, IT Services, Financial Industry and Others.

Segment „System Integration“ offers its clients system integration, cloud services and cybersecurity services. The target market is mainly Bulgarian financial institutions, insurance companies, healthcare organizations, multinational companies with operations in Bulgaria and state and municipal administrations.

The year 2024 was marked by a large-scale restructuring and integration of "Sirma Solutions" JSC into "Sirma Group Holding" JSC. Thus, the leading segment of Sirma "System Integration" by the end of 2024 is organizationally located in "Sirma Group Holding" JSC. The merger of the companies (a total of 5 in addition to "Sirma Solutions" JSC) into the parent company took place at the beginning of the fourth quarter of 2024.



During the quarter, significant efforts were directed towards the re-certification of "Sirma Group Holding" JSC under various ISO standards, which were previously held by "Sirma Solutions" JSC. These certificates are important for the majority of the clients of the "System Integration" segment. Despite the organizational challenges, caused by the restructuring, the System Integration segment successfully completed the year by fulfilling its sales and profit plan.

The market for the segment throughout the year was strong but unstable. In 2024, the ICT industry returned to its rapid growth (the expected growth for the year for the entire sector is 9%). This time, even the "Devices" segment, which has been sluggish in recent years, is returning to growth. This market recovery is also felt in the sales revenues of the "System Integration" segment in 2024. This helped achieve the set sales and return goals for the year.

In 2024, many significant deals were concluded in the segment. Here are the more significant deals that were concluded in the fourth quarter of 2024:

- a deal concluded for the sale and integration of network equipment for one of the major telecom companies in Bulgaria;
- a deal concluded for the sale and integration of cybersecurity equipment in the data centers in 4 countries of a major fintech company;
- a deal concluded for 2 major projects for the sale and integration of cybersecurity equipment in the state administration in Bulgaria;
- a contract concluded for the supply of desktop computers for a major Bulgarian bank.

The Bulgarian market remains dominant for the "System Integration" segment.

The goals set for the "System Integration" segment for 2025 are to achieve a growth of at least 10% in sales revenue while maintaining the return on transactions. The segment also has a goal of attracting new, significant manufacturers of IT equipment as partners. The deals in the pipeline at the end of 2024 and the first days of 2025 are promising.

Segment financial results:

	System Integration
	31.12.2024
	BGN'000
Revenue from:	
- external customers	16 270
Segment revenues	16 270
Cost of materials and cost of goods sold	(15 436)
Hired services expenses	(246)
Employee benefits expense	(279)
Other expenses	(1)
Segment operating profit	308

Segment „Hospitality“ offers IT solutions, consulting, system integration and data analysis to its clients in the hospitality industry. The segment's target clients are hotel groups, tour operators, travel agencies and technology providers for the hospitality industry.

In the fourth quarter of 2024, the segment continues to fulfill its strategic objectives:

- New clients were attracted in Western Europe and North America, with a significant increase in business.
- The company continues to rely on a stable and sustainable model of selling software development services and services for supporting integration adapters in the hospitality industry. New integrations are being built to systems and products of external companies established in the industry.
- The development of its own system for supporting integration adapters in the hospitality industry - Managed Integration Services (MIS) continues. The contracts are on a monthly subscription basis, with revenue growth on a monthly basis averaging 10%, and the number of hotels served by clients reaching 1,850 at the end of the fourth quarter of the year.
- During the past quarter, Sirma Group Holding's sales team visited the WTM conference in London, which should bring new business opportunities and partnerships.

Outlook and forecasts for 2025:

- The segment has ambitions for business growth of 20%, with the goal of more serious positioning in the USA.
- New partnerships and sales channels will be actively sought to generate new business opportunities for the segment.
- Participation in the following events related to the segment for 2025 is planned:
 - o ITB, Berlin (the company will have a stand at the specific event)



- o HITEC, USA (the company will have a stand at the specific event)
- o Phocuswright, Spain
- o Phocuswright, USA
- o WTM, London

Segment financial results:

	Hospitality
	31.12.2024
	BGN'000
Revenue from:	
- external customers	3 193
Segment revenues	3 193
Hired services expenses	(794)
Employee benefits expense	(1 663)
Other expenses	(5)
Segment operating profit	731

Segment "IT Services" is focused on cross-industry services, cross-selling and services for the public sector.

"IT Services" is the leading segment in the IT industry. The segment is expected to grow by 5.6% in the global IT market in 2024 (Gartner, October 2024). Despite the strong growth, however, the market was volatile during the year. This volatility was particularly pronounced in Bulgaria, where uncertainty surrounding the government generated uncertainty throughout the year. Similar uncertainty was also felt in the USA, where the presidential elections and the party division in society created an unfavorable conjuncture. This uncertainty was transferred from the USA to EUROPE, and was further intensified by the war in Ukraine. The result of this was a worsening economic climate and project delays. Unfortunately, two of the leading new markets of Sirma's IT Services vertical – DACH and the Scandinavian countries were among the most affected.

Revenues from the segment in the fourth quarter of the year (now part of "Sirma Group Holding" JSC) reached BGN 2.5 million. Even after the integration, the segment remains one of the most promising for the Group with 7.5% of the revenues on an individual basis for the Holding in the fourth quarter. Although with the smallest revenues of Sirma's leading segments, "IT Services" provides the highest profit margin, contributing BGN 770 thousand to the Holding's individual profit for the fourth quarter of 2024.

In 2024, many significant deals were concluded in the "IT Services" segment. Although the team working in the segment remains the same throughout the year, the proceeds from its activities in the fourth quarter still go to Sirma Group Holding AD. That is why we separate the revenues for the fourth quarter from the other deals during the year for the results of the activities in the IT Services segment. Here are the more significant deals that were concluded in the fourth quarter of 2024:

IT Services in Europe:

- development of a payment system for gift cards in the Scandinavian countries
- development of a payment system for a large English operator
- work on a large airline reservation system

IT Services in the retail segment:

- development of a loyalty platform in several large malls in the Balkans
- development of an intelligent bot for a large e-commerce client

IT Services for the Public sector:

- Adaptation, upgrade and modification of the existing information system of the National Center for the Development of the Bulgarian Patent Office to bring it into line with the requirements and the plan for the introduction of the euro in Bulgaria
- Modernization of the information system of the Bulgarian Patent Office, out-of-warranty support and ensuring continuity of the workflow and cybersecurity

IT Services in the USA:

- we continued to serve old customers of Sirma

The Balkan market is dominant for the IT Services segment in the fourth quarter in 2024

The goals set for the "IT Services" segment for 2025 are to achieve an organic growth of 10% in sales revenue while maintaining the significant profit margin achieved in the segment in 2024. The target geographic markets for the segment are: Great Britain, DACH, Belgium, the Scandinavian countries and Romania. The acquisition of Roweb, Romania to "Sirma Group Holding" JSC during the year will certainly help achieve part of the goals for the "IT Services" segment in 2025.



Segment financial results:

	IT Services
	31.12.2024
	BGN'000
Revenue from:	
- external customers	2 548
Segment revenues	2 548
Hired services expenses	(325)
Employee benefits expense	(1 390)
Other expenses	(63)
Segment operating profit	770

Segment "Financial Industry" offers support to financial institutions on their path to digitalization 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 segment is divided into 5 subsegments – Financial Services, Financial Consulting, Oracle, Temenos and IT Solutions.

The segment continues to face serious challenges:

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

Sirma Group Holding will continue to be focused on providing IT and consulting services and products, in addition to active actions to stabilize several current projects, it will emphasize offering the latest versions of the FlexCube banking system and opening all systems to solutions that enable the implementation of "Open banking" API-based services. Projects in the direction of "Open Digital Business", management and storage of business data and regulatory reporting will be the main focus for the company until the end of 2025.

At the end of 2024, the segment successfully signed numerous framework contracts for work within the next 4 years, as well as numerous small orders for the adaptation of reporting systems in view of changes in the legal framework. Assignments for changes and adaptation of systems related to the transition to the euro are still relevant, although the delay in the global implementation deadlines is being postponed with each subsequent government.

The implementation of several projects for the implementation of payment and other satellite solutions continues, which cover: "RepXpress", "ceGate" and "UBX Suite", DIGI Bank.

The company has a clear plan and estimate for the development and increase in the value of the products in 2025, as well as actively advertises and distributes the new versions of:

- Open banking API hub, which implements the BISTRA standard for all services within the scope of PSD2 and open banking.
- RepXpress - a regulatory reporting system and its own DHW.
- ceGate - a system for collecting customer data and assessing customers.

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

Regarding the prospects and goals for the segment for 2025, despite some positive signals of improving the economic climate and easing strict trade and social restrictive measures, the stagnation and inertia of financial players does not suggest a quick recovery and revival of the market from the levels of 2018-2019. This will require more efforts in finding fresh projects and solutions without a focus in a specific area, despite the clear preferences of Sirma Group Holding to develop and work on data analysis projects and comprehensive solutions for banking and transactional business.

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

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



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

Segment financial results:

	Financial Industry
	31.12.2024
	BGN'000
Revenue from:	
- external customers	3 605
Segment revenues	3 605
Cost of materials	(5)
Hired services expenses	(574)
Employee benefits expense	(1 702)
Other expenses	(13)
Segment operating profit	1 311

Segment "Others" offers IT solutions, consulting and IT services to its clients in the fields of transport and logistics, insurance and healthcare.

Following the integration of 6 companies into "Sirma Group Holding" JSC at the beginning of the fourth quarter of 2024, the Company discloses information on the leading segments of specialization that contribute around and above 10% of the sales revenues for the respective period. This methodology assumes that segments with more modest sales are grouped into the "Other" segment.

In the last quarter of 2024, the "Other" segment included sales in the following leading segments:

- Software and IT services for insurance companies
- Software and IT services for transport companies
- Software and IT services for logistics companies
- Software and IT services for health services
- Dividend income from subsidiaries

The geographical focus of sales of the "Others" segment is diverse - from an almost complete focus on Bulgaria (insurance companies), through the USA (medicine) to global penetration of IT services for transport and logistics.

The "Others" segment, although composed of several relatively modest sub-segments, contributes a quarter of the revenues at an individual level for "Sirma Group Holding" JSC. The rich palette of clients in this segment contributes to the diversification and sustainability of sales in the Holding, as well as creates prerequisites for further development of some of the segments into independent significant segments in the future.

Segment financial results:

	Others
	31.12.2024
	BGN'000
Revenue from:	
- external customers	8 453
Segment revenues	8 453
Cost of materials	(235)
Hired services expenses	(1 677)
Employee benefits expense	(4 544)
Depreciation and amortisation of non-financial assets	(1 113)
Other expenses	(469)
Segment operating profit	415



7/ INDIVIDUAL FINANCIAL RESULTS

7.1. REVENUES

	31.12.2024 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change (%)
Revenues from sales	30 812	2 983	27 829	932,92%
Dividend income	1 390	1 509	(119)	(7,89%)
Rental income from investment properties	579	688	(109)	(15,84%)
Interest income	6	13	(7)	(53,85%)
Gain on sale of non-current assets	2	2	-	-
Financing income	3	-	3	n/a
Other revenues	1 277	33	1 244	3 769,70%
Total	34 069	5 228	28 841	551,66%

In Q4 2024 the revenues of "Sirma Group Holding" JSC increased by BGN 28 841 thousand or by 551,66% compared to Q4 2023.

Revenues during the reporting period also include revenues from the activities of the companies that, as of 8 October 2024, incorporated into "Sirma Group Holding" JSC and this is the main reason for their huge growth.

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.

Revenues by product line includes:

	31.12.2024 BGN '000	31.12.2024 BGN '000	Change (BGN '000)	Change (%)
Sale of IT equipment	15 985	-	15 985	n/a
Software services	9 490	-	9 490	n/a
Administrative and accounting services	2 529	2 877	(348)	(12,10%)
Subscriptions	1 211	-	1 211	n/a
Support	747	-	747	n/a
Consulting services	656	2	654	32 700%
Hosting	52	-	52	n/a
Cloud services	9	-	9	n/a
Others	133	104	29	27,88%
Total	30 812	2 983	27 829	932,92%

7.2. EXPENSES

	31.12.2024 BGN '000	31.12.2024 BGN '000	Change (BGN '000,%)
Cost of materials	(213)	(138)	(75)
Change in %			54,35%
Hired services expenses	(3 616)	(685)	(2 931)
Change in %			427,88%
Employee benefits expense	(9 578)	(1 871)	(7 707)
Change in %			411,92%
Depreciation and amortisation of non-financial assets	(1 113)	(617)	(496)
Change in %			80,39%
Cost of goods sold and other current assets	(15 463)	-	(15 463)
Change in %			n/a
Other expenses	(551)	(222)	(329)
Change in %			148,20%
Total expenses	(30 534)	(3 533)	(27 001)
Change in %			764,25%



In Q4 2024 the expenses of "Sirma Group Holding" JSC increased by BGN 27 001 thousand or by 764,25% as compared to Q4 2023.

Expenses during the reporting period also include expenses from the activities of the companies that, as of 8 October 2024, incorporated into "Sirma Group Holding" JSC and this is the main reason for their huge growth.

7.3. FINANCIAL COSTS

	31.12.2024 BGN '000	31.12.2023 BGN '000	Change (BGN '000)	Change (%)
Financial costs	(209)	(147)	(62)	42,18%
Financial income	329	6	323	5 383,33%
Financial income / costs (net)	120	(141)	261	(185,11%)

7.4. ASSETS

The total assets of „Sirma Group Holding“ JSC at the end of the Q4 2024 are with BGN 17 258 thousand (19,16%) more than their value at the end of 2023.

Assets during the reporting period also include expenses from the sssets of the companies that, as of 8 October 2024, incorporated into "Sirma Group Holding" JSC and this is the main reason for their huge growth.

	31.12.2024 BGN '000	31.12.2023 BGN '000	Change (BGN '000)	Change %
Property, plant and equipment	8 441	1 057	7 384	698,58%
Intangible assets	10 710	4 225	6 485	153,49%
Goodwill	24 464	-	24 464	n/a
Investments in subsidiaries	32 178	70 830	(38 652)	(54,57%)
Investment property	4 193	9 638	(5 445)	(56,50%)
Long-term related party receivables	625	295	330	111,86%
Deferred tax assets	1 123	831	292	35,14%
Total non-current assets	81 734	86 876	(5 142)	(5,92%)
	31.12.2024 BGN '000	31.12.2023 BGN '000	Change (BGN '000)	Change (%)
Inventory	1 563	-	-	n/a
Trade receivables	10 176	158	10 018	6 340,51%
Prepayments and other assets	573	83	490	590,36%
Related party receivables	3 332	1 829	1 503	82,18%
Cash	9 957	1 131	8 826	780,37%
Total current assets	25 601	3 201	22 400	699,78%

7.5. EQUITY

	31.12.2024 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	3 426	1 509	1 917	127,04%
Total equity	75 554	73 029	2 525	3,46%

In Q4 2024, Equity increased by BGN 2 525 thousand compared to the end of 2023.



7.6. LIABILITIES

The amount of the liabilities of "Sirma Group Holding" JSC at the end of Q4 2024 is with BGN 14 733 thousand (86,42%) more than their value at the end of 2023.

Liabilities during the reporting period also include liabilities from the assets of the companies that, as of 8 October 2024, incorporated into "Sirma Group Holding" JSC and this is the main reason for their huge growth.

	31.12.2024 BGN '000	31.12.2023 BGN '000	Change (BGN '000)	Change %
Pension employee obligations	627	60	567	945,00%
Long-term borrowings	6 009	-	6 009	n/a
Long-term lease liabilities	515	192	323	168,23%
Long-term related party payables	3 699	16 148	(12 449)	(77,09%)
Total Non-current liabilities	10 850	16 400	(5 550)	(33,84%)

	31.12.2024 BGN '000	31.12.2023 BGN '000	Change (BGN '000)	Change %
Employee obligations	4 462	114	4 348	3 814,04%
Short-term borrowings	239	-		n/a
Short-term lease liabilities	322	53	269	507,55%
Trade and other payables	13 224	185	13 039	7 048,11%
Contract liabilities	2 240	-	2 240	n/a
Short-term related party payables	444	296	148	50,00%
Total Current liabilities	20 931	648	20 044	3 130,09%



Long-term and short-term bank loans

Recipient of credit	In Bank	Type of loan	Currency	Total amount of credit (BGN)	Outstanding obligation to 31.12.2024 (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	6 000 000	-	12.12.2024	The applicable variable interest rate for the relevant interest period and a SUPPLEMENT for regular debt to the Interest Rate Index in the amount of 2.0% (two percent). The annual interest rate cannot be lower than 2.12%.	12.12.2027	Pledge of receivables
Sirma Group Holding JSC	United Bulgarian Bank AD	Bank credit	BGN	9 400 000	6 233 333,87	09.10.2024	Variable interest rate in the amount of the short-term interest rate of UBB /SIP/ for the period of validity of the contract plus 2.9 /two point and nine tenths/ points surcharge per annum, but not less than 2.9% /two point and nine tenths/ per annum.	09.10.2032	Pledge of receivables, pledge of commercial enterprises, pledge of property
Sirma Group Holding JSC	United Bulgarian Bank AD	Overdraft	BGN	8 000 000	-	10.10.2024	Variable interest rate in the amount of the short-term interest rate of UBB /SIP/ for the period of validity of the contract plus 2.3 /two point and three tenths/ points surcharge per annum, but not less than 2.3% /two point and three tenths/ per annum.	10.10.2026	Pledge of receivables
Loans for which the Issuer is a guarantor									
EngView Systems 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%	15.12.2026	Pledge of receivables



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for the period 01.01.2024 - 31.12.2024

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

Lender	Recipient	United identification code	Relationship	Type	Currency	Liability as of 31.12.2024 (BGN '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
Saifort	Sirma Medical Systems	204054855	Company under common control	Loan	BGN	1 735	20.12.2022	2.80	31.12.2026	No pledges
Saifort	Sirma Group Holding	200101236	Parent company	Deposit	BGN	3 699	18.07.2023	0.1	31.12.2026	No pledges
Saifort	Saifort Israel		Company under common control	Loan	ILS	22	21.02.2024	2.5	31.12.2026	No pledges
Sirma Group Holding	Pirina Technolgies	175149906	Company under common control	Loan	BGN	295	10.01.2022	2	31.12.2026	No pledges
Sirma Group Holding	*Individual S.S.		Non related party	Loan	BGN	150	27.06.2017, 20.09.2017	3	31.12.2025	No pledges
Sirma Group Holding	*Individual S.S.		Non related party	Loan	BGN	133	31.05.2022	2	31.12.2025	No pledges
EngView Systems	EngView Systems GmbH		Subsidiary	Loan	EUR	116	05.12.2022	3	31.12.2025	No pledges
EngView Systems	EngView Systems Inc.		Subsidiary	Loan	USD	32	01.02.2024	2	01.02.2029	No pledges
Sirma Group Holding	Sciant Shpk.		Subsidiary	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 31.12.2024 (BGN '000)	Date of contract/ last annex	Interest rate %	Term of contract	Pledges
Sirma Medical Systems	Saifort	200356710	Company under common control	Loan	BGN	1 735	20.12.2022	2.80	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 Group Holding	Saifort	200356710	Subsidiary	Deposit	BGN	3 699	18.07.2023	0.1	31.12.2025	No pledges
Sciant Shpk.	Sirma Group Holding	200356710	Company under common control	Loan	BGN	84	25.07.2023	3	01.09.2025	No pledges

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



7.7. CASH FLOW

	31.12.2024 BGN '000	31.12.2023 BGN '000	Change (BGN '000)	Change %
Net cash flow from operating activities	6 068	(1 350)	7 418	n/a
Net cash flow from investing activities	(6 323)	(1 431)	(4 892)	341,86%
Net cash flow from financing activities	6 139	244	5 895	2 415,98%
Net change in cash	5 884	(2 537)	8 421	n/a
Exchange gains/(losses) on cash	30	(3)	33	n/a
Cash and cash equivalents acquired in a business combination	2 912	-	2 912	n/a
Cash at the beginning of the year	1 131	3 671	(2 540)	(69,19%)
Cash at the end of the year	9 957	1 131	8 826	780,37%

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

7.8. 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	31.12.2024	31.12.2023	Change	
			(Abs.)	(%)
Revenue from operating activities	34 069	5 228	28 841	551,66%
Cost of sales	(29 983)	(3 311)	(26 672)	805,56%
Gross profit	4 086	1 917	2 169	113,15%
Other operating costs	(551)	(222)	(329)	148,20%
Operating profit	3 535	1 695	1 840	108,55%
Financial costs	329	6	323	5 383,33%
Financial income	(210)	(191)	(19)	9,95%
Profit before tax expense	3 654	1 510	2 144	141,99%
Tax expense	(228)	(1)	(227)	22 700,00%
Net profit	3 426	1 509	1 917	127,04%
Dividend	(1 154)	(2 849)	1 695	(59,49%)
Cash	9 957	1 131	8 826	780,37%
Short-term assets	25 601	3 201	22 400	699,78%
Total amount of assets	107 335	90 077	17 258	19,16%
Average arithmetic total asset value for 5 quarters	94 057	91 133	2 924	3,21%
Current liabilities	20 931	648	20 283	3130,09%
Debt	7 085	245	6 840	2791,84%
Liabilities (borrowed funds)	31 781	17 048	14 733	86,42%
Equity	75 554	73 029	2 525	3,46%
Equity averaged for 5 quarters	73 700	74 067	(366)	(0,49%)
Turnover capital	4 646	2 553	2 093	81,98%
Number of shares at the end of the period (in thousands)	59 361	59 361	-	-
Interest expenses	(62)	(109)	47	(43,12%)
Weighted average share price of last trading session	0,9525	0,745	0,2075	27,85%
Last share price of last trading session	0,945	0,76	0,185	24,34%



Indicators	31.12.2024	31.12.2023	Change	
			(Abs.)	(%)
EBITDA	4 829	2 236	2 593	115,97%
DEPRECIATION	(1 113)	(617)	(496)	80,39%
EBIT	3 716	1 619	2 097	129,52%
FIN/INVEST NET	119	(185)	304	n/a
EBT	3 654	1 510	2 144	141,99%
ROA	0,0319	0,0168	0,01517	90,53%
ROA(BSE)	0,0364	0,0166	0,01987	119,98%
Debt/EBITDA Ratio	1,4672	0,1096	1,35761	1 239,02%
Quick Ratio	1,2231	4,9398	(3,7167)	(75,24%)
ROE (BSE)	0,0465	0,0204	0,0261	128,17%
ROE	0,0465	0,0204	0,0261	128,17%
EBITDA	0,4206	0,2334	0,1872	80,19%
Profitability ratios				
Gross profit margin	0,1199	0,3667	(0,2467)	(67,29%)
Operating profit margin	0,1038	0,3242	(0,2205)	(68,00%)
Net profit margin	0,1006	0,2886	(0,1881)	(65,16%)
Coefficients for assets and liquidity				
Assets turnover ratio	0,3657	0,0574	0,3083	536,77%
Assets turnover ratio (BSE)	0,3622	0,0574	0,3048	531,41%
Operating cycle	7,2953	2,0478	5,2475	256,25%
Current ratio	1,2231	4,9398	(3,7167)	(75,24%)
Quick ratio	1,2231	4,9398	(3,7167)	(75,24%)
Cash ratio	0,4757	1,7454	(1,2697)	(72,74%)
Odds per share				
P/S ratio	1,6596	8,4591	(6,7994)	(80,38%)
P/E ratio	16,5036	29,3068	(12,8032)	(43,69%)
P/B ratio	0,7484	0,6056	0,1428	23,58%
Revenue per share	0,5739	0,0881	0,4859	551,66%
Earnings per share	0,0577	0,0254	0,0323	127,04%
Book value of equity per share	1,2416	1,2477	(0,0062)	(0,49%)
Development Ratios				
Revenue growth	5,5166	(0,6185)	6,1351	n/a
Gross profit growth	1,1315	(0,7491)	1,8805	n/a
Assets growth	0,1916	0,0065	0,1851	2 846,13%
Leverage Ratios				
Debt/total assets	0,0753	0,0027	0,0726	2 701,94%
Debt/capital	0,0877	0,0033	0,0844	2 560,10%
Debt/equity	0,0961	0,0033	0,0928	2 806,21%
Total assets/equity	1,2762	1,2304	0,0458	3,72%
Market value of the company	56 096	45 114	10 982	24,34%



7.9 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

	31.12.2024	31.12.2023
	BGN'000	BGN'000
Purchases of goods and services		
Purchases of services:		
- Software services	(874)	(19)
- Internet	(34)	(27)
- Consulting services	(20)	(20)
- Seminars and training	-	(1)
- Subscriptions	(55)	(27)
- Hosting	(17)	-
- Intermediary services	(24)	-
Purchases of goods:		
- Office supplies	(1)	(3)
- Inventory	-	(3)
- Computer components	-	(1)
Purchases of LTFA	(9)	(37)
Sales of goods and services		
Sales of services		
- Administrative, accounting services	2 525	2 686
- Rent	433	542
- Consulting services	6	-
- Technical Support	765	-
- Marketing and Advertising	5	10
- Subscriptions	9	-
Sales of goods:		
- Consumables	71	88
- Computer components	37	-
Dividends received	3 297	13 622
- Received deposits	(590)	(514)
- Deposits received refunded	(660)	(700)
- Loans given	649	76
- Refunded loans given	3 297	13 622
- Interest on received loans	(14)	(12)
- Interest on loans given	6	13

Transactions with other related parties

	31.12.2024	31.12.2023
	BGN'000	BGN'000
Sale of services		
- Administrative, accounting services	1	199
- Rent	8	9
- Technical Support	-	5
- Consulting services	-	2
- Interest on loans given	-	5

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:

	31.12.2024	31.12.2023
	BGN'000	BGN'000
Short-term employee benefits:		
Salaries including bonuses	(376)	(349)
Social security costs	(6)	(5)
Total remunerations	<u>(382)</u>	<u>(354)</u>

The company has paid dividends to key management personnel as of 31.12.2024 in the amount of BGN 655 thousand (31.12.2023 - BGN 1 177 thousand).



8/ PERSONNEL AND ECOLOGY

8.1 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.

8.2 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	31.12.2024	31.12.2023
	Number of employees	Number of employees
Labour contract	432	20
Contract for management and control	9	9
Total	441	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.

9/ 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.

9.1 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 December 2024 compared to December 2023, as measured by National Statistical Institute with the Harmonized Index of Consumer Prices (HICP) fell to 2,2%.



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.

9.1.1 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.

9.1.2 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 31 December 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.

9.2 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.

9.3 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.



10/ 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.

11/ 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.

12/ 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.



13/ 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.

14/ 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.

15/ 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.



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

No changes during the period considered.

17/ 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.

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

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

HISTORICAL DATA AND FINANCIAL RATIOS ▼

Weighted-Average Price Closing Price

[1 month](#) [6 months](#) [1 year](#) 01.01.2024 « » 31.12.2024



Market Capitalisation: **56 095 690** BGN as of 12/31/2024

Start Price	0.7223	BGN	-	01.01.2024
Last Price	0.9450	BGN	-	31.12.2024
Max Price	1.1600	BGN	-	11.07.2024
Min Price	0.6781	BGN	-	07.03.2024
Percent Change	-	%	+30.8321	
Value Change	-	BGN	+0.2227	

ROA	0.01	ROA cons	-0.03
ROE	0.02	ROE cons	-0.04
ROA/EBIT	0.01	ROA/EBIT cons	-0.04
ROE/EBIT	0.01	ROE/EBIT cons	-0.05
Asset turnover	0.06	Asset turnover cons	0.90
Current ratio	4.37	Current ratio cons	2.34
D/A	0.20	D/A cons	0.17



20/ EVENTS AFTER THE END OF THE REPORTING PERIOD

Acquisition of a separate part of the enterprise "Duo Soft" EOOD

On 15 January 2025, a contract was signed by "Sirma Group Holding" JSC for the acquisition of a separate part of the commercial enterprise with the company "Duo Soft" EOOD, UIC 130235197, entitled "Software developments in the field of academic recognition" as an independent set of rights, obligations and factual relationships created during the implementation of its previous commercial activity according to the accounting balance sheet at the time of the transfer of the separate part, for a price of BGN 287 000 (two hundred eighty-seven thousand).

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

Sofia
30.01.2025

CEO:



Tsvetan Alexiev

