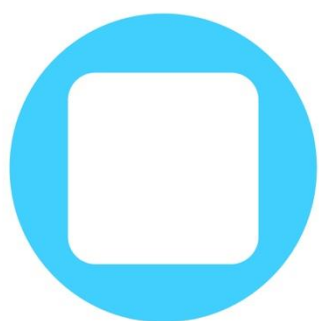




INTERIM CONSOLIDATED MANAGEMENT REPORT OF “SIRMA GROUP HOLDING” JSC FOR Q1 2025



Content

KEY FINANCIAL INDICATORS.....	4
1 STATEMENT BY THE BOARD OF DIRECTORS OF “SIRMA GROUP HOLDING” JSC.....	5
2 ORGANIZATION AND WAY OF PRESENTATION	6
3 STRUCTURE OF SHARE CAPITAL AND MANAGEMENT AUTHORITIES.....	8
4 FUNCTIONING OF THE GROUP	12
5 SIRMA GROUP IN Q1 2025	13
5.1 The business	13
5.2 Economic trends.....	14
5.3. Additional information for Q1 2025	17
5.4. Major news in Q1 2025	18
5.5. Main legal information in Q1 2025.....	19
5.6 Information for contracted large transactions in Q1 2025.....	19
5.7 Information of the used financial instruments in Q1 2025.....	19
5.8 R&D activity of the company in Q1 2025.....	19
5.9 Possible future development of the company.....	19
5.10 Contracts under Art.240b of the Commerical Code in Q1 2025	19
6 RESULTS BY COMPANY.....	20
DATICUM.....	20
ENGVIEW SYSTEMS	21
SIRMA GROUP INC.....	23
SIRMA ICS.....	24
SIRMA TECH	25
SIRMA MEDICAL SYSTEMS	26
ROWEB.....	28
SIRMA GROUP HOLDING – separate financial results	30
7 RESULTS BY SEGMENTS.....	30
8 MAIN MARKETS.....	35
9 CONSOLIDATED FINANCIAL RESULTS.....	36
Consolidated revenues.....	36
Consolidated expenses	37
Consolidated financial income / costs (net)	37
Consolidated assets	38
Equity	38
Consolidated liabilities.....	39
Cash flows.....	42
Indicators and ratios	43
Related companies transactions	45
10 EMPLOYEES AND ECOLOGY.....	45
11 RISK FACTORS	46
Market risk analysis.....	46
Credit risk.....	47
Liquidity risk	47



12	OTHER INFORMATION AS PER APPENDIX 11 of ORDINANCE 2 OF THE FSC.....	48
13	CHANGES IN THE PRICE OF THE SHARES OF THE COMPANY.....	51
14	EVENTS AFTER THE END OF THE REPORTING PERIOD	52



Key financial indicators

Revenue

32 197 BGN'00034.79% 

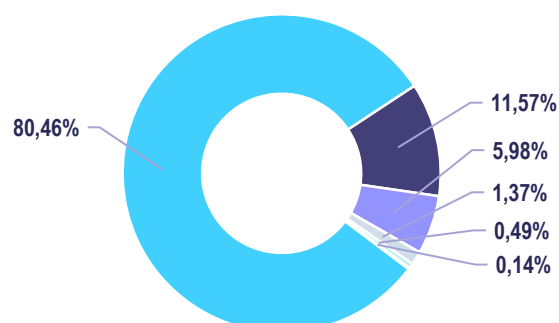
EBITDA

1 963 BGN'0009.47% 

Net Profit

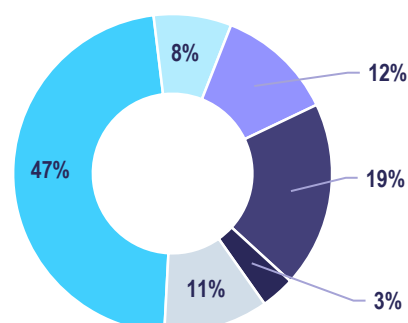
767 BGN'0002.13% 

Revenue by region



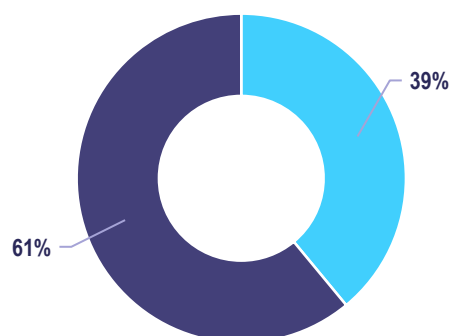
- Europe - 25 905 BGN'000
- United Kingdom - 1 924 BGN'000
- South America - 157 BGN'000
- North America - 3 726 BGN'000
- Asia - 441 BGN'000
- Australia - 44 BGN'000

Revenue by segment



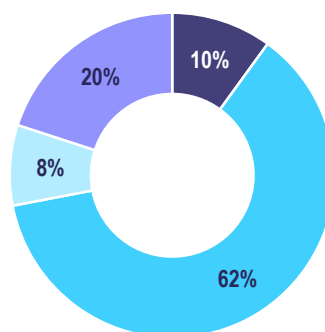
- System Integration - 15 214 BGN'000
- Hospitality - 2 540 BGN'000
- Financial Industry - 3 844 BGN'000
- IT Services - 6 076 BGN'000
- Production - 1 106 BGN'000
- Others - 3 417 BGN'000

Recurring revenue



- Total Recurring Revenue - 12 438 BGN'000
- Other Revenue - 19 760 BGN'000

Recurring revenue by type



- Support and Service - 1 308 BGN'000
- IT Systems Development and Management - 7 653 BGN'000
- Subscriptions and Licenses - 992 BGN'000
- Long-Term Contract Services - 2 484 BGN'000



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

The present interim consolidated management of "Sirma Group Holding" JSC covers the period, ending on 31 March 2025 and was prepared in accordance with the provisions of Article 39 of the Accountancy Law and Art. 100o, para. 2 and 5 of the the Public Offering of Securities Act (POSA), including also the established events, occurring after the balance sheet date. The structure of this report is in accordance with Article 12 of Ordinance No. 2 of the Financial Supervision Commission (FSC).

The board of directors of the holding confirms that:

- there were no irregularities in which managers or employees were involved, which may be material to the consolidated financial statements;
- all material transactions are duly accounted for and reflected in the interim consolidated financial statements as at 31 March 2025;
- there is no actual or potential breach of laws and (or) other regulatory provisions which would have a material impact on the consolidated financial statements or could serve as a basis for reporting contingent loss;
- there are no legal or other restrictions on the flow of funds;
- there are no known trends, requests, commitments, events or occasional circumstances for which there is reason to expect that they may affect the company as a whole.

This interim consolidated management report contains estimates and information based on our beliefs and assumptions, using currently available information about them. Any statements contained in this report which are not historical facts are predictions. We have based these statements on the future of our current expectations, assumptions and predictions about future conditions and events. As a result, our predictions and information are exposed to uncertainties and risks, many of which are beyond our control. If one or more of these uncertainties or risks materialize or if the underlying management assumptions prove to be incorrect, our actual results may differ materially from those described in the report. We describe these risks and uncertainties in the report in the Risk Section.

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

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

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

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

All financial and non-financial data and information for the reporting period is collected and / or reported by the responsible business units.

The reporting period is the financial year ending on 31.03.2025. The report includes Sirma Group Holding JSC and all subsidiary companies of the Group without EngView Systems Latin America and Sirma ISG, which are excluded from consolidation due to lack of relevance.

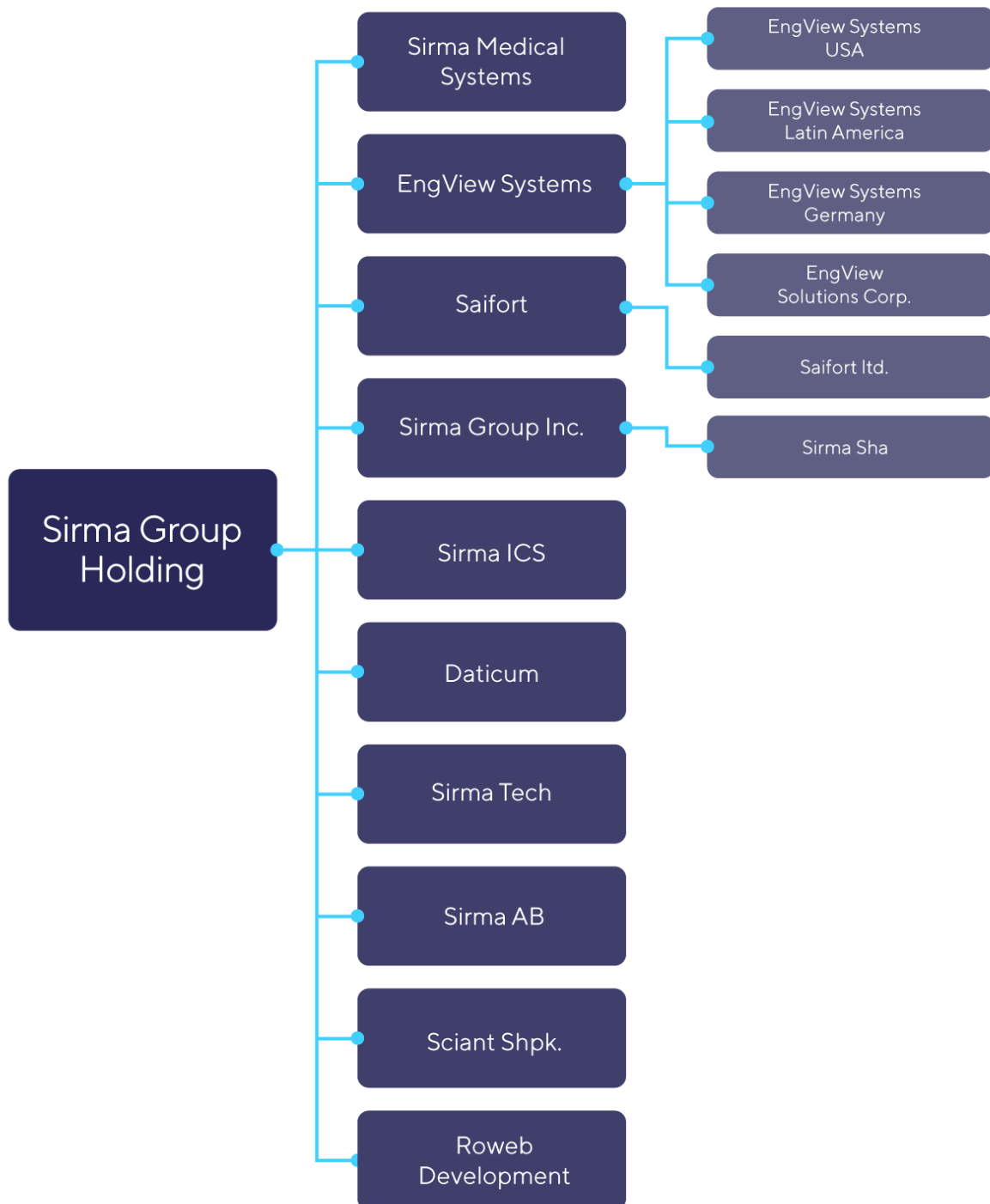


2 ORGANIZATION AND WAY OF PRESENTATION

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

Over the years, Sirma has created over 20 companies, investing in them a tremendous financial and human capital.

Generating robust growth, cost-effectiveness and consistent business results are among the company's top priorities.



History and development of the company

"Sirma Group Holding" JSC is a holding company registered on 25.04.2008 at the Registry Agency with UIC 200101236, with head office: BULGARIA, Sofia (capital), Sofia municipality, City Sofia 1784, Mladost area, bul. Tsarigradsko Shose, No 135.

The name of the company changed on 23.03.2009 from "SGH" JSC to "Sirma Group Holding" JSC.

The object of the company is: Acquisitions, management, evaluation and sale of participation in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, cession of licenses to use patents of companies which the company holds, finance of companies in which the company participates, organization of accounting and compiling financial statements under the law of accounting. the company may perform independent business activities which are not prohibited by law.

Changes in the statement of activity

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

On 23.03.2009 Sirma Group Holding changed its scope of activity as follows: Acquisition, management, evaluation and sale of participations in Bulgarian and foreign companies, acquisition, evaluation and sale of patents, surrender of licenses for use of patents of companies in which the holding company participates, financing of the companies in which the holding company participates, organization of the accounting

and preparation of financial statements under the order of the Law for Accounting. The company may also carry out its own commercial activity, which is not prohibited by law.

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

- is not the subject of consolidation;
- no transfer or pledge to the enterprise;
- No claims have been filed for the opening of insolvency proceedings of the company;
- There are no tenders from third parties to the Company or from the Company to other companies;

CAPITAL

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

History of Share Capital

History of changes in share capital

- The company was incorporated with BGN 50 000 of capital.

On 15.10.2008, after the adoption of three triple expert appraisals of experts, the share capital was increased from BGN 50 000 to BGN 77 252 478 through non-cash contributions and issuance of new 77 202 478 shares. Non-cash contributions are as follows:

- 1) 29 software modules worth 61 555 838 BGN;
- 2) Non-monetary contribution representing real estate amounting to 3 911 660 BGN:
 - Office building - offices, floor 3 and floor 5 of an office building located in the city of Sofia, 135 "Tsarigradsko shose" blvd., owned by "Sirma Group" JSC, a company registered in the Commercial Register at the UIC Registration Agency 040529004, with registered office and management address in the city of Sofia, "Mladost" district, "Tsarigradsko shose" boulevard No. 135, accepted as a shareholder in "SGH" AD by decision of the General Assembly of "SGH" AD 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.

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" AD from BGN 77,252,478 to BGN 73,340,818 was entered by canceling 3,911,660 shares with a nominal value of one lev each. The Company's capital is reduced on the basis of Art. 200, para. 2, in connection with Art. 187e, para. 1, item 2pt CL.

When the conversion was carried out, entered in the Commercial Register on 23.10.2014. the Company's capital is reduced to BGN 49,837,156 by canceling 23,503,662 shares. This reduction is the result of the calculated fair value of the shares of "Sirma Group Holding" AD by two independent appraisers. The shareholding structure of the Company does not change as a result of the spin-off to the extent that the shareholding structures in the transforming company and in the newly established company are mirrored.

On 30.10.2015, after a successful initial public offering, the capital was increased to BGN 59,360,518 by issuing 9,523,362 shares. new shares with a nominal value of one share of BGN 1 and an issue value of BGN 1.20.

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

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



3 STRUCTURE OF SHARE CAPITAL AND MANAGEMENT AUTHORITIES

3.1. Capital structure

As of 31.03.2025 the distribution of the share capital of Sirma Group Holding is as follows:

	31.03.2025 (BGN '000,%)	31.12.2024 (BGN '000,%)
Share capital	59 361	59 361
Number of shares (par value of 1 BGN)	59 360 518	59 360 518
Total number of registered shareholders	1 169	1 160
Including legal entities	42	43
Including Individuals	1 127	1 117
Number of shares held by legal entities	6 968 710	7 214 055
% of capital of legal entities	11,74%	12,15%
Number of shares held by individuals	52 391 808	52 146 463
% of capital held by individuals	88,26%	87,85%

Shareholders	Number of shares at 31.03.2025	Number of shares at 31.12.2024	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	1 996 209	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	1 689 786	1 689 786	1	1 689 786	2,85%	-
Atanas Kostadinov Kiryakov	1 555 287	1 555 287	1	1 555 287	2,62%	2,70%
Yavor Liudmilov Djonev	1 066 046	1 068 046	1	1 066 046	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 DSK Rodina	747 036	747 036	1	747 036	1,26%	1,30%
DF Advance Invest	738 822	738 822	1	738 822	1,24%	1,28%
UPF Doverie JSC	702 126	702 126	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	13 528 544	13 526 544	1	13 528 544	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.



As of 31.03.2025 the total amount of repurchased own shares by "Sirma Group Holding" JSC is 1 689 786 shares with nominal value amount of BGN 1 689 786 (2,85 % of share capital). The other companies of the Group that own shares of "Sirma Group Holding" JSC are:

- "Saifort" EAD owns 550 shares of the parent company "Sirma Group Holding" JSC. The company has no newly acquired shares during the reporting period.

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

Shareholders	Number of shares at 31.03.2025	% 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 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%

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

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

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

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

3.2 Management authorities

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

The Board of Directors as of 31.03.2025 includes the following members:

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



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 CEO 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 shares of the Company.

Rights of the members of the BD to acquire shares and bonds of the company

The rights of the members of the BD to acquire shares in the company are regulated in the legal framework. The company does not have a bond issue.

Committees in The Company

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

- | | |
|---|---|
| <p>1. The Investment, Risk and Sustainability Committee , composed of:
 <i>Yordan Nedev – chairman</i>
 <i>Stanislav Tanushev - member</i>
 <i>Georgi Marinov – member</i></p> | <p>3. Information Disclosure Committee, composed of:
 <i>Tsvetan Alexiev – chairman</i>
 <i>Stanislav Tanushev – member</i>
 <i>Chavdar Dimitrov – member</i>
 <i>Atanas Kiryakov - member</i></p> |
| <p>2. Remuneration Committee, composed of:
 <i>Georgi Marinov – chairman</i>
 <i>Martin Paev – member</i>
 <i>Yordan Nedev – member</i></p> | <p>4. Audit Committee, composed of:
 <i>Angel Petrov Kraychev - chairman</i>
 <i>Alexander Todorov Kolev - member</i>
 <i>Veselin Anchev Kirov – membe</i></p> |

Accepted internal normative 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 31.03.2025	Number of shares at 31.12.2024	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	1 555 287	1	1 555 287	2,62%	2,70%
Yavor Ludmilov Djonev	1 066 046	1 068 046	1	1 066 046	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	22 823 609	22 825 609		22 823 609	38,45%	39,58%

During the period the member of the BD Yavor Ludmilov Djonev has sold 2 000 shares of the capital of the company.



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

	31.3.2025 BGN'000	31.3.2024 BGN'000
Short-term employee benefits:		
Salaries including bonuses	302	270
Social security costs	12	12
Total remunerations	314	282

Information on the contracts of the members of the administrative, management or supervisory bodies with the company providing severance pay

In the contracts of the members of the board of directors, both with the Company itself and with subsidiaries of the Company, where such contracts are available to them, no benefits have been provided upon termination of their contracts.

Information on the company's audit committee or remuneration committee, including the names of the members of the committee and a mandate summary by which the committee functions

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

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

Statement on whether the company complies or does not to the regime for corporate governance

In view of the fact that "Sirma Group Holding" JSC is entered in the Register under Art. 30, para. 1, item 3 of FSCA, kept by FSC, the Company has implemented a Program prepared in accordance with internationally recognized standards for good corporate governance. In accordance with the provision of Art. 100n, para. 4, item 3 of POSA, the financial statements of "Sirma Group Holding" JSC comply with its Program for the application of internationally recognized standards for good corporate governance and maintains its accounting policy in accordance with International Accounting Standards.

4 FUNCTIONING OF THE GROUP

The economic group of "Sirma Group Holding" JSC includes the parent company and its subsidiaries and associates - all of them operating in the IT sector. The Group functions as a typical holding structure with the organization, coordination and subordination of the companies characteristic of a similar structure.

Group companies have a common strategic framework, corporate values, financial and accounting policies, a vision of good corporate governance and staff policy.



Subsidiaries of "Sirma Group Holding" JSC

Name of the subsidiary	Country of incorporation and principal place of business	Main activities	Segment	31.03.2025 share	31.12.2024 share
Saifort EAD	Bulgaria	Software services	System Integration	100%	100%
Saifort Ltd.	Israel	Software services	System Integration	70%	70%
Roweb Development	Romania	Software services	IT Services	51%	51%
Sirma Group Inc.	USA	Software services	IT Services, Others	100%	100%
Sirma Tech	UK	Software services	Financial Industry	100%	100%
Daticum AD	Bulgaria	Software services	System Integration	59%	59%
'Sirma AB"	Sweden	Software services	IT Services	100%	100%
"Sirma ICS" AD	Bulgaria	Software services	Others	93%	93%
Sciart Shpk	Albania	Software services	Hospitality, Others	100%	100%
"Sirma Medical Systems" AD	Bulgaria	Software services	Others	66%	66%
"EngView Systems" AD	Bulgaria	Software package development	Production	72,90%	72,90%
EngView Systems GmbH	Germany	Software package development	Production	72,90%	72,90%
EngView USA	USA	Software package development	Production	72,90%	72,90%
EngView Systems Latin America	Brazil	Software package development	Production	69,26%	69,26%
Engview Solutions Corp.	Canada	Software package development	Production	69,26%	69,26%
"Sirma ISG" OOD	Bulgaria	Software services	Others	71%	71%

Information about participations

Apart from the Company's stated participations in item 4 above, there are no other participations of the Company that are likely to have a significant effect on the valuation of its own assets and liabilities, financial position or profits or losses.

The Company has no branches.

5 SIRMA GROUP IN Q1 2025**5.1 The business**

Established in 1992, Sirma has become one of the largest IT companies in the region for 27 years, owning a range of proprietary, innovative technologies, a diverse product portfolio and growing market share in Europe and North America.

Sirma owns software solutions for a wide range of businesses with a focus on the development of cognitive technologies (AI). The Group has diversified market exposure exclusively to the private sector with a stable customer portfolio. Sirma's services and solutions are concentrated in the most promising and high-tech areas - financial technologies, transport and logistics, hospitality and retail, industrial software, healthcare technologies. The group has a large sales and marketing capacity, actively uses cross-selling strategies and modern marketing mechanisms. Sirma has offices in Bulgaria, USA, UK, Canada, Germany, Sweden, Albania, Brazil and regional representatives and/or distributors in over 50 countries.

Sirma is a globally recognized company in areas such as financial technology, transportation and logistics, hospitality, healthcare technology and some classes of industrial technology. One of Sirma's products - EngView Package Designer Suite CAD is part of the packaging design and production solutions of world leaders in the printing industry. The Group is among the regional leaders of the IT market, with 60% of operators in the financial sector as clients. The Group's clients are among the world's largest logistics companies, the largest hotel chains, international banking and European institutions. One of the Group's products in the field of health care - Diabetes:M is in the Top3 global products for the fight against diabetes. Sirma has a strong presence in the US market, executing a huge number of IT consulting projects. One of the companies in the group - Daticum is a first-class regional provider of cloud services with a Class 4 Data Center, licensed for data storage by the BNB and other organizations requiring increased data security. Through one of its companies, the Group is a leader in the delivery of SaaS for insurance intermediaries. Our philosophy for our strategic



technologies and solutions is that we embed a sense of human thought – perception, interpretation, prediction and decision making. AI-based technologies have been in Sirma's DNA since its inception. In 2022, Sirma sold a majority stake in one of its subsidiaries, Sirma AI, and in early 2023, its remaining stake in it. Sirma AI (now Ontotext AD) is a company founded by Sirma and working in the field of semantic technologies. The flagship product of Sirma AI is GraphDB – one of the best graph databases in the world. An undeniably successful company, Sirma AI has reached the level where in order to continue to develop successfully and compete with its strong American competitors (companies such as Neo4J, Microsoft, Amazon, Oracle, IBM) it needs very large investments, such as Sirma can not afford. The company was valued at nearly 30M euros, which is an excellent reference for Sirma's abilities to create and develop successful businesses. In the last 2 years, Sirma's strategy has changed dramatically. The realities of business are such that it is almost impossible to develop a product business without significant investments. That's why Sirma started positioning itself as a service company with deep expertise in several strategic verticals and powerful solutions, often supported by AI technologies. The main revenue, focus, marketing and growth are concentrated in the service-related activity - software development, IT consulting, system integration, cloud services, etc. This activity generates over 90% of the group's business. Sirma also retains an investment part - its product companies such as EngView and Sirma Medical Systems. R&D and product development is done in these companies. The companies and businesses in the investment part of the Group can be subject to investments - internal and external, they can be sold to a strategic buyer, as we have already proven that we can successfully do (the sale of Sirma AI). Growth in the main -

5.2 Economic trends

Summary

The global economy has shown resilience in the face of numerous challenges in recent years. Forecasts prior to April 2025 tariff news, were for continued growth, albeit at a more modest pace. Post April 2025 all forecasts downsize their future expectations and point to increased risks and volatility. Although the ICT industry is still expected to grow, forecasts suggest a much slower expansion.

The economy of Bulgaria in 2025 and forecast for the future years

In its April 2025 [World Economic Outlook](#) (WEO), the International Monetary Fund (IMF) lowered Bulgaria's GDP growth forecast for 2025 to 2.5%, down by 0.4 p.p. compared to the 2024 WEO. Looking forward, economic growth is expected to pick up momentum to 2.7% in 2026.

The IMF expects annual average consumer price inflation to accelerate from 2.6% in 2024 up to 3.7% in 2025 and decrease subsequently to 2.7% in 2026. The current account gap is expected to be 1.5% of GDP in 2025 and 1% in 2026.

The fund also sees a stable unemployment rate of 4.1% over the forecast horizon. At the same time, Europe's economic growth is revised downward to 1.4% in 2025 (-0.6 p.p.), with 1.6% growth anticipated in 2026. The outlook for Advanced Europe suggests 1% growth in 2025, while Emerging Europe growth is forecasted at 2.1%.

The overall near-term outlook stipulates lower growth across countries and reflects in large part the direct effects of the new trade measures and their indirect effects through trade linkage

service part of the company takes place organically and through acquisitions. Here, the model is clear, understandable for investors, with a fairly clearly established dependence "investment size - growth". The investment part is more risky, but the chances of a "breakout" or a "very successful deal" are also much greater.

Sirma's mid-term goal is to reach \$100+ million in revenue and list on a major global exchange (most likely NASDAQ). Sirma's positioning at the time of listing will be:

- One of the largest Eastern European groups specializing in providing IT services
- R&D companies in several countries in South-Eastern and Eastern Europe, providing access to one of the world's most attractive IT specialist markets
- Companies, representative offices and distributors in over 50 countries around the world
- Specialization, know-how and solutions in several strategic industries
- Regional leader in a number of industries, very good global recognition, significant reference customers
- Revenues of more than 100 million dollars and attractive EBITDA
- Excellent working marketing and sales machine
- Promising investment part – product companies and businesses and companies in incubation

spillovers, heightened uncertainty, and deteriorating sentiment. The IMF noted that the outlook is dominated by intensifying downside risks. Global trade policy uncertainty could reduce near- and long-term growth prospects, while the eroded policy buffers may weaken resilience to future shocks. On the other hand, a de-escalation from current tariff rates and new agreements providing clarity and stability in trade policies could lift global growth potential.

The **risks** to the development of the Bulgarian economy in 2025 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;



Development of global economy in 2025 and forecast for the future years

Global growth was steady but unimpressive through 2024 after an extraordinary string of shocks in the years prior, and it was predicted to stay that way in January 2025 by most forecasts. But as governments all around the world rearranged their policy agendas, the scene has shifted sharply. Early in 2025, the US announced and enacted a number of new tariff measures, and its trading partners responded. On April 2, the US imposed nearly universal duties, raising effective tariff rates to levels not seen in a century. This on its own is a major negative shock to growth. The unpredictability with which these measures have been unfolding also has a negative impact on economic activity and the outlook and, at the same time, makes it more difficult than usual to make assumptions that would serve as the foundation for an internally consistent and timely economic forecasts.

Global economic activity is anticipated to be significantly impacted by the rapid escalation of trade hostilities and exceptionally high levels of policy uncertainty ([World Economic Outlook, April 14, 2025, IMF](#)). In 2025 and 2026, global growth is expected to fall to 2.8 percent and 3 percent, respectively, from 3.3 percent for both years as was forecast as recently as January 2025 by the IMF in its WEO Update. This represents a cumulative downgrade of 0.8 percentage points and is significantly lower than the historical (2000–19) average of 3.7 percent.

According to the IMF forecast, growth in advanced economies is projected to be 1.4 percent in 2025. Growth in the United States is expected to slow to 1.8 percent, a pace that is 0.9 percentage point lower relative to the projection in the January 2025 WEO Update. The reasons for this are greater policy uncertainty, trade tensions, and softer demand momentum. Growth in the euro area at 0.8 percent is expected to slow by 0.2 percentage point. In emerging market and developing economies, growth is expected to slow down to 3.7 percent in 2025 and 3.9 percent in 2026, with significant downgrades for countries affected most by recent trade measures,

Intensifying downside risks dominate the outlook. Increasing the intensity of the trade war and raising trade policy uncertainty could further slow GDP growth in the short and long run, and weaken the policy buffers, thus making countries less resilient to future shocks.

Increased geopolitical tensions risk disrupting energy markets, currency 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.

The lingering effects of the recent cost-of-living crisis, coupled with depleted policy space and dim medium-term growth prospects, could reignite social unrest. The resilience shown by many large emerging market economies may be tested as servicing high debt levels becomes more challenging in unfavorable global financial conditions. More limited international development assistance may increase the pressure on low-income countries, pushing them deeper into debt or necessitating significant fiscal adjustments, with immediate consequences for growth and living standards.

On the upside, a deescalation from current tariff rates and new agreements providing clarity and stability in trade policies could lift global growth.

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: high probability / high impact ;
- production, trade and supply chain disruptions: high probability / high impact;
- stronger-than-expected contraction of the Chinese economy, deepening deflation and contraction of domestic consumption, sales problems in the Chinese property market that generate liquidity and/or risk of debt defaults mixed with export challenges: high probability / high impact ;
- deepening of the geopolitical fragmentation that began in 2022: high 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: average probability / high impact ;
- extreme climatic events: high probability / average impact.

In early April 2025 the International Monetary Fund cut its economic growth forecast for the euro zone for this year and next, citing the increase in U.S. tariffs and uncertainty surrounding their implementation. The IMF cut its forecast for the 20 countries sharing the euro currency to 0.8% growth in 2025 and 1.2% growth in 2026, both forecasts 0.2 point lower than the forecast from the start of the year.

Furthermore, trade tensions and uncertainty could pose a greater risk to growth longer term. Economic growth is 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. US/China trade war can deviate dumping-priced exports from China to Europe thus



fueling inflation. Russia's ongoing aggressive war against Ukraine and the conflict in the Middle East fuel geopolitical risks and the continued vulnerability of European energy security. Further increases in protectionist measures by trading partners (like US tariffs) 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. Finally, extreme weather events (like 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 with a predominant focus on business customers (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, managed services) and "Business software" (various software products and services, targeting 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, January, 2025](#)). In the last years, 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.

Geographically, Sirma is focused on the world's leading markets (USA, UK, and Europe), which are also the leading geographical centers for consumption of ICT products and services.

The global ICT market in 2025 and forecast for the future years

After a better-than-expected 2024, Gartner has revised its forecasts for the development of the ICT market in 2024 ([Gartner, January, 2025](#)) and its expectations for 2025 (**Forecast does not price-in effects from the April 2025 tariffs**). 2025 is expected to bring an impressive growth of 8.2% at current prices or 9.8% at constant prices. The ICT market is expected to reach USD 5.6 trillion in 2025.

All ICT segments are expected to grow in 2025. Nevertheless, the different growth rates remain: Data center systems are expected to grow by as much as 21.9%, while communication services by only 2.2%. After parity with TELCO in absolute spending in 2023, "IT services" remains the leading segment in the ICT sector in 2025, responsible for USD 1.7 trillion in spending.

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

	2024 Spending	2024 Growth (%)	2025 Spending	2025 Growth (%)
Data Center Systems	329,132	39.4	405,505	23.2
Devices	734,162	6.0	810,234	10.4
Software	1,091,569	12.0	1,246,842	14.2
IT Services	1,588,121	5.6	1,731,467	9.0
Communications Services	1,371,787	2.3	1,423,746	3.8
Overall IT	5,114,771	7.7	5,617,795	9.8

Source: Gartner (January 2025)

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

Leading Segments – Overview (pre-April 2025 tariffs)

All segments are expected to grow in 2025, accelerating (around 10%) 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 29% growth in 2025 and an 23.6% 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 2025 is expected to be 14.2% for "Software" and 9% 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 23.5% in 2025, while fixed voice services are shrinking by over 8%.

Effects of April 2025 Tariffs on ICT Spending

On March 31, IDC published a downside scenario in which global IT spending would grow by 5%, rather than the 10% growth previously projected. This scenario was modelled before the latest tariff announcements in April but already reflected the potential impact of a broadening economic slowdown. While the details of final tariffs don't align exactly with that downside scenario, IDC currently ([post April 2025](#)), expect their baseline forecast will move towards the lower end of that 5-10% range over the next months.



The wave of new tariffs introduced by the US administration will drive up technology prices, disrupt supply chains, and weaken global IT spending in 2025. Not only will these tariffs have a direct inflationary effect on technology prices in the US, but growing concerns about a broader economic slowdown will lead to weaker investment by businesses and consumers around the world, even prior to any slowdowns appearing in earnings or economic data. This impact will unfold quickly in 2025, despite the strong countervailing force of growing demand for AI and related technologies.

As a result, IDC are developing a new downside scenario that reflects the possibility of a broadening global trade war, which will likely include additional tariffs and retaliatory measures by many countries. These may include protective actions against countries other than the US. IDC's new baseline forecast in April reflects what is currently known, which is that these new tariffs will have a significant negative impact on the ICT industry in 2025.

This situation remains highly fluid and dynamic. Tariffs set to be implemented on April 9 may yet be adjusted or postponed, and the response in other countries could include stimulus measures to protect short-term economic stability in China and elsewhere. This is a moving target, but the risk of a global recession is higher than one week ago, with some economists now pegging it at 40%, and this uncertainty will have an immediate effect on business and consumer confidence.

New tariffs will have an inflationary impact on technology prices in the US, as well as causing significant disruption to supply chains. While this impact will be most immediate in devices, then other compute, storage, and network hardware as well as datacenter construction, even sectors such as software and services will be affected if tariffs are longer lived. There's also an indirect negative impact of tariffs on software and services, where the provider delivering the software and/or services will incur increased costs for the infrastructure to develop and deliver the product, meaning that many software and services vendors will need to include increased costs in their own pricing assumptions.

Some devices and hardware vendors may seek to mitigate the impact, but US customers will swiftly feel the effect of higher prices. Lean inventories and rapid manufacturing cycles mean that price hikes will materialize quickly. The broad, unfocused nature of these new tariffs leaves manufacturers little room to adjust.

It's important to note that our surveys of IT buyers had remained relatively resilient through March. While there is significant concern over the uncertainty caused by tariff policies, a majority of firms in March were trying to protect their key investment priorities around AI, analytics, security, and IT optimization. IT is more important to the business than ever before.

Price sensitivity is rising, however, which history shows is a major cause of competitive disruption. The IT market will continue to be more resilient than during previous economic cycles, and more resilient than many other sectors of the economy. Service providers will try to maintain their aggressive investment in deployments of AI infrastructure, and they have the ability to optimize asset use to much greater extent than even the largest of their enterprise customers. For businesses, IT has largely transitioned from a capex to an opex model in which a larger share of technology spending is essential to business operations and is increasingly tied to business conditions.

Despite all of this, the reality of a slowing economy and rising unemployment will have a direct impact on IT spending. Consumer spending is likely to be hit hard. Businesses will first look to cut spending on devices and on-premise infrastructure, seeking rapid cost benefits to protect the bottom line. Any job cuts will have a direct impact on some types of IT spending.

IT services spending is vulnerable to a slowdown in new contract signoffs, which will be driven by a broader economic slowdown in the next 6-12 months. Combined with other economic headwinds, including government spending cuts in the US, this adds up to a much weaker outlook for short-term investment in new technology projects.

5.3. Additional information for Q1 2025

Impact of exclusive factors

The information in this report is not affected by the presence of exceptional factors.

Summary information relating to the state of which the company depends on patents or licenses, industrial, commercial or financial contracts or from new processing processes

Sirma Group Holding is not dependent on patents or licenses, industrial, commercial or financial contracts, as well as new production processes.

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

Information, concerning significant factors, including non-ordinary or rare events or new developments, that expressly render the income of the Company's activity

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



Significant changes in net sales or revenues disclosed in the accounts

Significant changes in net sales or earnings reported in the Group's accounts detailed in Section 9 of this Report are observed during the period considered.

Information on governance, economic, fiscal, monetary policy or political course or factors that significantly have been concerned or may contribute to significant, direct, or consequential activity of the Group

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

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

5.4. Major news in Q1 2025

The following events and business news took place in Q1 2025:

27.03.2025

Disclosure of the audited individual financial reports of Sirma Group Holding JSC for 2024.

27.03.2025

Sirma Group Holding JSC becomes an authorized reseller of Apple for business clients.

01.03.2025

Disclosure of the interim consolidated financial reports of Sirma Group Holding JSC for the period ending on 31.03.2024.

28.02.2025

Publication of an Invitation for an extraordinary General meeting of shareholders of Sirma Group Holding JSC on 08.04.2025

24.02.2025

Sirma Group Holding JSC becomes innovative partner of IMB for Watsonx implementations.

17.02.2025

Interview with VP Bogomil Iliev for the development of the one-stop-shop using AI.

12.02.2025

Sirma and Borika launch partnership for digitalization of employment records.

07.02.2025

CGO Momchil Zarev gave an interview for Bloomberg with a recap of the 2024 activity.

30.01.2025

Disclosure of interim individual financial reports of Sirma Group Holding JSC for the period ending on 31.12.2024

16.01.2025

Disclosure of the acquisition of a separate part of the commercial enterprise Duo Soft EOOD.

10.01.2025

Publishing of the Protocol of extraordinary General meeting of shareholders of Sirma Group Holding JSC.

10.01.2025

Extraordinary General meeting of shareholders of Sirma Group Holding JSC.

03.01.2025

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



5.5. Main legal information in Q1 2025

Transactions with shares for the period 01.01.2025 – 31.03.2025:

There are no transactions with shares for the period.

Litigation for the period 01.01.2025 – 31.03.2025:

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

Other legal information for the period 01.01.2025 – 31.03.2025:

- 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).

5.6 Information for contracted large transactions in Q1 2025

In Q1 2025, the Group made several large contracts with customer and subcontracts, in connection with the new strategy of the Group:

Purchases:

- Deal 1 for BGN 2 754 thousand
- Deal 2 for BGN 2 652 thousand
- Deal 3 for BGN 2 580 thousand

Sales:

- Deal 1 for BGN 2 919 thousand
- Deal 2 for BGN 2 892 thousand
- Deal 3 for BGN 2 772 thousand

5.7 Information of the used financial instruments in Q1 2025

In Q1 2025 the company has not used any financial instruments.

5.8 R&D activity of the company in Q1 2025

The strategy for growth and development of Sirma Group foresees the concentration of the intellectual property of the Group in the Holding company. This concentration also implies the concentration of the Group's research and development activities at Sirma Group Holding JSC.

5.9 Possible future development of the company

The forecasts for the development of the Information and Communication Technologies sector in 2025 and the following years are a function of the effects caused by the ongoing military actions in Ukraine and the Middle East, the actions of the new US administration, and the state of major European economies.

Although a direct impact of the war in Ukraine and Middle East on the ICT sector is not expected, it will strengthen other risks for the global economy – inflation, volatility of exchange rates, difficult supply chains, geopolitical uncertainty. As for President Trump's new policy, it is still too early to draw solid conclusions about how it will reflect on the global economy and, in particular, on the sectors in which Sirma operates. In addition, the BNB expects the postponement of the implementation of investment projects, the slow rate of absorption of funds under European programs and the delayed implementation of the National Recovery Plan to be associated risks in 2025. There is also serious uncertainty regarding the stability of Bulgaria's new regular government and its capacity to deal with the economic challenges and Bulgaria's entry into the Eurozone. The annual budget presented by the Ministry of Finance appears to be quite ambitious to implement, especially on its revenue side, at the expense of significantly increased expenditures, although the stated goal is to maintain stable financial indicators, relatively low inflation and indebtedness.

In 2024, the integration of six subsidiaries of the Group into Sirma Group Holding JSC was completed. In 2025, we expect this to lead to better competitiveness and market positioning of the Group, which will contribute to the creation of new business opportunities, providing clients with a wider and more diverse range of services, professional growth and development of our employees, optimization of administrative processes, respectively, better productivity, communication and cooperation between employees and units in the Group.

The Group is in a continuous process of searching for companies in which to invest in order to improve the profitability of the company's shares.

5.10 Contracts under Art.240b of the Commercial Code in Q1 2025

During Q1 2025 the Group has not been notified for contracted transactions with the members of the Board of Directors or parties related to them, which fall outside the line of activity of the company or the terms of which differ substantially from the current market.



6 RESULTS BY COMPANY

DATICUM

- <https://www.daticum.com/>
- **Daticum JSC is a subsidiary of Sirma Group Holding JSC**
- **Capital:** BGN 793 810 divided into 79 381 shares with a nominal value of BGN 10. Sirma Group Holding JSC holds 46 834 shares or 59% of the capital.

Main markets:

Bulgaria, North and South America, Europe

Main clients:

The main clients of the company are the following industries - insurance, ICT, utilities, media and information services, industrial production, wholesale and retail, transport and courier services.

Main competitors:

International companies providing cloud services such as Amazon, Google (Alphabet), Microsoft, IBM and others. At the local level, competitors can be considered "Netera" OOD, "Evolink" AD, "Telepoint" OOD, "3DC" EAD, SuperHosting.BG EOOD

Business model of the company

The Company's core business model is to build infrastructure to provide computing resources for data processing and storage and to provide these resources for a fee to a wide range of customers who prefer not to maintain such infrastructure or have a temporary need for these resources.

Resources of the company

The company has the necessary resources and is able to invest in the development of its business without using debt capital.

New products, new business or business models for the period

The company focused on consolidating its market positions and expanding its IaaS and PaaS cloud services. Thanks to our partners, we can now offer a new Remote Backup as a Service, through which we can back up our data center data from client servers and end user devices regardless of their geographic location. Along with the increasing tendency of customers to use leased computing resources on a monthly use basis, there is a similar tendency on the part of the company's suppliers to switch to business models for the provision of licenses and services based on monthly consumption.

HR policy

Preserve current staff. Maintaining and increasing its qualification through training, courses and participation in affiliate programs. Staff costs are rising in line with an increase in business volumes by up to 10-15% per year.

Daticum in Q1 2025

Business Development Conditions in 2025

Bulgaria continues to establish itself as a technology hub in Central and Eastern Europe, with a growing role in the fields of artificial intelligence and deep technologies. The country is

attracting significant investment and global recognition, thanks to strong government support, research institutes and a skilled workforce. This trend creates a favorable environment for the development of innovative companies such as Daticum and increases interest in highly reliable cloud and infrastructure solutions.

Regional and international factors affecting the company's business

The ongoing military conflicts in Ukraine and the Middle East continue to bring uncertainty to the economic environment. They affect consumer behavior and investment activity, especially in sectors related to IT infrastructure and data.

The increase in electricity and hardware prices, reported at the end of 2024, puts additional pressure on companies' costs and leads to more careful planning of IT budgets.

However, against the background of the growing demand for digital solutions, we are observing a gradual restoration of confidence and an increase in investments in cloud technologies.

Business development in Q1 2025 and realization of the investment plan

Daticum continued to record steady growth in cloud services, which offset declines in colocation services and physical hardware rental. Our platform was further optimized, including through the implementation of new storage systems and improved network infrastructure.

Important events

- A new functionality was introduced in the virtual resource orchestration and management platform, which allows customers to independently activate the desired resources in backup mode when needed.

- During this period, we successfully implemented and launched the new Instant Recovery Backup service - a high-performance backup and recovery service based on NVMe flash technologies. The solution offers almost instant data recovery, immunity against ransomware attacks and isolated recovery zones, ensuring full business continuity.

New contracts:

New contracts were signed with clients, expanding the client base, and partnerships were renewed and expanded with key corporate clients from the telecommunications sector. In addition, new partnerships were established with consulting firms and IT companies, with the aim of expanding the market presence and offering joint solutions.

Implementation of the business plan in Q1 2025

The company's revenues in the first quarter of 2025 exceeded those in the first quarter of 2024 by 9.59%, with cloud services growth amounting to 4.18%.



Perspectives and forecasts for 2025

Demand for cloud and hybrid infrastructure solutions is expected to grow, especially from the SME sector. The company's core revenue is expected to grow by over 10% for

the full year of 2025. The company will continue to invest in security, automation and the provision of new services. A partial recovery in demand for traditional services is expected in the second half of the year.

FINANCIAL RESULTS

	31.03.2025	31.03.2024/ 31.12.2024	Change BGN '000	Change %
Revenues	903	824	79	9,59%
EBITDA	376	358	18	5,03%
Depreciation	(146)	(155)	9	(5,81%)
Net Result	225	197	28	14,21%
EBITDA margin	41,64%	43,45%	(1,81%)	(4,16%)
Net Profit margin	24,92%	23,91%	1,01%	4,22%
Sales per share	0,3923	0,3579	0,03	9,59%
EPS	0,0977	0,0856	0,012	14,21%
ROE	0,1105	0,1087	0,002	1,65%
Total Assets	3 409	3 321	88	2,65%
Intangibles	1 070	1 140	(70)	(6,14%)
Book value	967	673	294	43,68%
Equity	2 037	1 813	224	12,36%
Total Liabilities	1 372	1 508	(136)	(9,02%)
Interest bearing	272	290	(18)	(6,21%)
D/E	0,6735	0,8318	(0,16)	(19,02%)
ROA	0,0660	0,0593	0,007	11,26%

ENGVIEW SYSTEMS

- **EngView Systems JSC is subsidiary company of Sirma Group Holding JSC**
- **Capital : BGN 68 587**

Shares: 68 587 ordinary named voting shares, with right to dividend and liquidation share, proportional to the participation in the capital. Sirma Group Holding owns 50 000 shares or 72,9 % of the company capital.

EngView Systems in Q1 2025**Conditions for business development in Q1 2025**

EngView Systems operates in two main markets that of software and hardware solutions in the field of Metrology and Quality Management in the production of metal products, as well as software for video measuring machines in partnership with manufacturers, and complete solutions for automation and management of the production process of the packaging industry. The company works with manufacturers of packaging and displays around the world, served by a developed and expanding network of distributors and partners, as well as our own offices in Germany and USA.

A large share of packaging production remains in the established offset printing segment. The spread of digital

technologies is happening at an ever-increasing pace and more and more companies are investing in digital printing and production machines. New niche markets are being formed, related to personalization, small circulations of cardboard and corrugated packaging, products for advertising purposes and better visualization of selected brands (shelves) or entire structures, exhibition stands, shows, printed and cut from thick materials (Rigid Board). In Europe and the United States, there is a trend for the entry and production of materials and products from them, which are directly related to nature conservation and are environmentally friendly and easily recycled.

This determines the direction of the predominant investments in the packaging industry - along with those in machines, companies from different niches are looking for solutions to further save time and resources, modernize their production to improve their competitiveness, and follow modern technologies that improve the relationship with the customer and optimize the



order channels. Such solutions are Internet and cloud-based solutions for communication with customers and shortening the Order-Delivery cycle (web-to-print, web-to-pack), which become possible precisely in combination with new digital technologies.

EngView Systems successfully develops its products in its two main areas for the packaging and video measuring industries. In recent years, the company has invested in the development of new products based on its already implemented solutions and the accumulated knowledge and expertise in individual niches. They meet the latest trends, as well as customer requirements for high-quality software capable of accelerating production, increase sales through optimization and maintenance of additional processes. The company's marketing efforts combine both the traditional way of branding, advertising and product positioning, as well as new trends in digital marketing, online demonstrations, multimedia, participation in panels, membership in associations, etc.

The company continues to develop its core product for the packaging industry, the Packaging Suite. In the first month of the year, the main version 2025 of the CAD product was released, continuing the policy of Continuous Delivery. The company focuses its efforts on continuously improving functionalities, allowing customers to become more efficient, faster, and more easily offer their products.

The purchase of services on a subscription basis is a very important trend in the global market in the last few years. This is due to the advent of cloud technology and the ability to sell even very complex software products as services rather than licenses. This makes them more affordable both in terms of price and in terms of time to master and start in real business. Like many other software companies, EngView has successfully promoted its subscription model. The first quarter of 2025 saw a doubling of subscription revenue compared to 2024.

Since the beginning of this year, a new website has been prepared to advertise cloud and desktop-based specialized services and innovative technologies. On their basis, client websites can be developed, as well as integrations with other products from the industry to complement workflows or increase productivity.

In the first quarter of 2025, EngView was presented at several exhibitions in the various industries in which it is positioned. For 2025, there is an aggressive marketing plan and participation in specialized exhibitions in the USA, Canada, China, Germany, India, Poland, Greece, as well as visits to such exhibitions are planned.

EngView Systems USA participates together with the Japanese manufacturer Mimaki at various events and exhibitions, thereby promoting their partnership. The visit to ISA in Las Vegas was successful, where various meetings were held with current and potential partners. For another year, our US company is preparing its participation at Printing United, Orlando.

New mechanisms, partnerships and representations around the world are also being sought to increase brand recognition, increase sales and search for new niche markets.

The German company EngView Systems GmbH continues to grow sales revenue and search for new large partnerships and customers.

Products oriented to Metrology and Quality Control such as ScanFit&Measure and mCaliper, TurnCheck are also being developed.

New versions of all metrology products were released this quarter.

Online demonstrations of ScanFit&Measure are being held as well as visits to factories that need measuring systems for quality control.

Preparations are underway for a prestigious conference in Nashville, USA, where new applications of ScanFit&Measure will be demonstrated. Sales of this product are increasing, and campaigns continue worldwide.

Regional and international factors influencing the business of the company

2025 starts well in terms of revenue. Expenses and investments in marketing and sales also affect the overall financial statement.

The company develops all of its products in Bulgaria, but has a network of distributors worldwide, as well as its own offices in the USA, Germany and Brazil. The factors influencing the business are mainly related to the saturation of the market with competitive products or the degree of development of the given market. The main share of sales of software for the packaging industry is still generated in Europe, but the market is expanding in the USA through marketing efforts.

EngView, as one of the leading names in the packaging industry, works with strategic partners from Germany Heidelberg, for which new versions of their products for the printing industry are developed every year, and from the USA - QVI for their video measurement machines. EngView has been working with both companies for years, strengthening its positions by providing quality and modern software to their customers.

Business development in the first quarter of 2025 and implementation of investment intentions

In the first quarter of 2025, the company continues to develop its products and prepare for more online services and developments. Intensive preparations are underway for several events at which products and partnerships will be presented and consolidated.

The company is gradually increasing its capacity and resources for innovative developments in the two areas in which it operates. In the USA, the company is very actively working on brand recognition, winning new partnerships and customers, and imposing the subscription model, which will bring stability and sales growth in the coming years.



The German company EngView Systems GmbH is doing well and this year has seen sales growth.

In Brazil, the subscription principle is establishing itself as the main sales model. Sales there have increased compared to last year, and we hope that this trend will continue in the coming periods.

Perspectives and forecast for 2025

An increase in customers is expected in 2025, which will also increase sales volume and revenue. Campaigns are being developed, new distributors are being sought, and the presence in both niche markets is being strengthened.

FINANCIAL RESULTS

	31.03.2025	31.03.2024/ 31.12.2024	Change BGN '000	Change %
Revenues	919	868	51	5,88%
EBITDA	327	237	90	37,97%
Depreciation	(258)	(218)	(40)	18,35%
Net Result	56	11	45	409,09%
EBITDA margin	35,58%	27,30%	8,28%	30,32%
Net Profit margin	6,09%	1,27%	4,83%	380,84%
Sales per share	13,3188	12,5797	0,74	5,88%
EPS	0,8116	0,1594	0,65	409,09%
ROE	0,0105	0,0021	0,008	403,53%
Total Assets	6 326	6 082	244	4,01%
Intangibles	4 572	4 535	37	0,82%
Book value	738	717	21	2,93%
Equity	5 310	5 252	58	1,10%
Total Liabilities	1 016	830	186	22,41%
Interest bearing	266	168	98	58,33%
D/E	0,0501	0,0320	0,018	56,60%
ROA	0,0089	0,0018	0,007	389,45%

SIRMA GROUP INC.

Business development in Q1 2025

Sirma USA continued to develop our business in Healthcare and Automotive retail sales. We have made tremendous progress in applying artificial intelligence and generative large language models technology to practical applications in Medical Information Systems. In an industry first, we developed the ability to describe workflows using plain-

spoken language and automatically generate and configure ready-to-execute mini-apps inside Healthcare applications built on top of our BoCore platform. The systems powered by our real-time Analytics engine also continued to gain ground with automotive dealers, and we were highly recognized by leaders in the field.



FINANCIAL RESULTS

	31.03.2025	31.03.2024/ 31.12.2024	Change BGN '000	Change %
Revenues	1 174	864	310	35,88%
EBITDA	50	(466)	516	n/a
Depreciation	(1)	(1)	-	-
Net Result	48	(469)	517	n/a
EBITDA margin	4,26%	(53,94%)	58,19%	n/a
Net Profit margin	4,09%	(54,28%)	58,37%	n/a
Sales per share	0,0544	0,0400	0,01	35,88%
EPS	0,0022	(0,0217)	0,02	n/a
ROE	0,0060	(0,0556)	0,06	n/a
Total Assets	11 375	10 475	900	8,59%
Intangibles	2 110	1 675	435	25,97%
Book value	5 898	6 766	(868)	(12,83%)
Equity	8 008	8 441	(433)	(5,13%)
Total Liabilities	3 367	2 034	1 333	65,54%
Interest bearing	21	36	(15)	(41,67%)
D/E	0,0026	0,0043	(0,0016)	(38,51%)
ROA	0,0042	(0,0448)	0,049	n/a

Sirma ICS

- <http://sirmaics.com/>
- **Capital:** BGN 300 000 divided into 300 000 number of registered nominal shares with a nominal value of 1 BGN per 1 share with voting right, dividend and liquidation share. Sirma Solutions owns 279 000 number of shares or 93% of the capital.

Sirma ICS is part of Sirma Group, with the main goal to concentrate the technological and business knowledge of Sirma Group's in the insurance sphere.

The company also offers services to other companies, part of Sirma Group, mainly "body rent" of programmers.

Conditions for Business Development in Q1 2025

The company operates in the Insurance sector with target customers insurance brokers and insurance companies. Both segments recorded minimal revenue growth due to an increased number of insured persons as well as an increase in insurance premiums.

Business Development in Q1 2025 and investment plan

In Q1 2025 Sirma ICS continued with the execution of its strategic objectives:

- Improvements in mobile applications.
- Increasing the product range of the software for insurance brokers and optimizing the product and its functionalities.
- The company continues to rely on a stable and sustainable model of selling products with a monthly license fee, instead of relying on large one-off transactions which are more difficult to predict.

The company offers a product covering all of the processes in the structure of an insurance broker - Sirma Insurance Enterprise Platform. There is also a developed opportunity for clients to integrate through the Sirma Insurance Enterprise MTPL API and to integrate the policy issuing a policy payment in any system and application. Regarding the online presence of brokers, we offer Sirma Insurance Enterprise Web Calculator. With this product, end visitors to websites can calculate their price and place an order. The company also creates individual solutions and developments on assignment such as websites, web portals for end customers, administrative portals and mobile applications. In general, the online market in Bulgaria remains underdeveloped due to the sticker restrictions and the mandatory "Civil Liability" license plate.

Perspectives and forecasts for 2025

We anticipate retaining the monthly fee revenue of Sirma Insurance Enterprise Platform mainly from large new clients that are being negotiated, but individual small brokers may terminate contracts due to cessation of activity. We are striving to attract large brokers to the broker platform.



FINANCIAL RESULTS

	31.03.2025	31.03.2024/ 31.12.2024	Change BGN '000	Change %
Revenues	288	256	32	12,50%
EBITDA	63	44	19	43,18%
Depreciation	(20)	(20)	-	-
Net Result	43	23	20	86,96%
EBITDA margin	21,88%	17,19%	4,69%	27,27%
Net Profit margin	14,93%	8,98%	5,95%	66,18%
Sales per share	0,9600	0,8533	0,11	12,50%
EPS	0,1433	0,0767	0,067	86,96%
ROE	0,0408	0,0235	0,017	73,13%
Total Assets	1 245	1 220	25	2,05%
Intangibles	805	866	(61)	(7,04%)
Book value	250	111	139	125,23%
Equity	1 055	977	78	7,98%
Total Liabilities	190	243	(53)	(21,81%)
Interest bearing	45	83	(38)	(45,78%)
D/E	0,0427	0,0850	(0,042)	(49,79%)
ROA	0,0345	0,0189	0,016	83,20%

SIRMA TECH

Sirma Tech operates in the United Kingdom. The company provides technology services in the areas of software integration, data integration and mobile technologies for the financial service sector.

Sirma Tech has accumulated tremendous expertise on the banking industry and the development of technology solutions

for some of the world's largest banks. This enables the company to better understand the challenges faced by customers, identify the areas in which it can provide innovative solutions and integrate seamlessly into its specific solutions within a broader delivery program.

Sirma Tech specializes in providing IT consulting services, software products and services to the software ecosystem of one of the most popular banking systems - the Temenos T24.

FINANCIAL RESULTS

	31.03.2025	31.03.2024/ 31.12.2024	Change BGN '000	Change %
Revenues	373	607	(234)	(38,55%)
EBITDA	(435)	18	(453)	n/a
Net Result	(438)	9	(447)	n/a
EBITDA margin	(116,62%)	2,97%	(119,59%)	n/a
Net Profit margin	(117,43%)	1,48%	(118,91%)	n/a
ROE	5,6883	0,0247	5,664	n/a
Total Assets	200	655	(455)	(69,47%)
Equity	(77)	365	(442)	(121,10%)
Total Liabilities	277	290	(13)	(4,48%)
ROA	(2,1900)	0,0137	(2,204)	n/a



SIRMA MEDICAL SYSTEMS

- **Sirma Medical Systems** is a subsidiary of Sirma Group Holding
- **Capital:** BGN 100 000. **Sirma Group Holding** owns 66% of the capital.

Conditions for business development in 2025

In the first quarter of 2025, the global digital health market demonstrated significant growth, characterized by increased investments, active mergers and acquisitions, and increased integration of artificial intelligence (AI) in healthcare technologies.

The highest levels of mergers and acquisitions in the last three years were also observed, highlighting the growing consolidation of the sector and the drive for integrated healthcare solutions.

Major technology companies such as Amazon, Nvidia, Microsoft, and Google have increased their investments in AI-based healthcare solutions. These initiatives cover a wide range of applications, including diagnostics, electronic health record management, and personalized healthcare services

The European Health Data Space (EHDS) Regulation has entered into force in the European Union, which aims to improve the exchange and access to electronic health data between member states. This development is of particular importance for companies offering solutions in the field of electronic health records and telemedicine.

The growing demand for digital healthcare services, including telemedicine, chronic disease management applications and AI-based diagnostic tools, highlights the need for innovative and integrated solutions in the sector.

The first quarter of 2025 confirms the sustainable growth and transformation of digital healthcare. With increasing investments, active consolidation and innovative technological solutions, the sector continues to develop dynamically, responding to the growing needs of healthcare systems and patients.

Sirma Medical Systems continues to develop its products in its two main directions – for self-control and remote monitoring of diabetes status and telemedicine.

During this reporting period, work began on updating and modernizing the Diabetes:M platform. The activities include reworking parts of the system core, as well as a complete redesign of the interface and part of the functionalities of the mobile application for users.

Following the set goals, at the beginning of the year, the actual preparation for conducting a clinical study of the Diabetes:M insulin dosing bolus calculator was launched. For this purpose, training materials were prepared for the study participants. All administrative issues that are a prerequisite

for a successful launch were also resolved, following the regulations in the sector.

Given the development of artificial intelligence systems in digital healthcare, a number of tests and studies were launched during this period for deep integration of AI-based functionalities in both platforms. The goal is to facilitate the use of the applications through AI, as well as to add practically oriented solutions to help the business clients of both systems.

The main marketing efforts at the beginning of the year were focused on preparing campaigns in two directions - email and generating potential new customers. These activities are already starting to yield results, with a significant growth in volumes planned in the second quarter of the year.

Additionally, during this period, a detailed user manual for Medrec:M was created, as well as numerous other supporting materials.

The practice of additional training for clients of the Medrec:M Clinic and Diabetes:M Monitor platforms for doctors continues successfully. Through these trainings, doctors are visually introduced to the innovations in the platform and receive ideas and guidance on how they can integrate the new functionalities into their work processes.

Perspectives and forecasts for 2025

Upon successful completion of clinical trials and FDA approval for Diabetes:M, Sirma Medical Systems expects significant new opportunities for partnerships and distribution in the US and other international markets. The development of MPI-2 as a leading platform for stuttering therapy will establish the company as a provider of high-quality solutions for end users.

In the long term, after stabilizing and strengthening the positions of Diabetes:M and MPI-2, a resumption of more active activities around Medrec:M is possible, supported by a successfully established image and an expanded partner network.

Sirma Medical Systems' strategy for 2025 emphasizes attracting corporate customers and expanding the product ecosystem for Diabetes:M, as well as a massive marketing campaign for MPI-2 aimed at end users. With a clear framework, an optimally allocated budget, and a focus on high-value partnerships and communication channels, the company aims to strengthen its market share, increase the interest of external investors, and expand opportunities for future sustainable growth.



FINANCIAL RESULTS

	31.03.2025	31.03.2024/ 31.12.2024	Change BGN '000	Change %
Revenues	39	61	(22)	(36,07%)
EBITDA	(36)	(36)	-	-
Depreciation	(10)	(9)	(1)	11,11%
Net Result	(47)	(47)	-	-
EBITDA margin	(92,31%)	(59,02%)	(33,29%)	56,41%
Net Profit margin	(120,51%)	(77,05%)	(43,46%)	56,41%
Sales per share	0,1300	0,2033	(0,07)	(36,07%)
EPS	(0,1567)	(0,1567)	-	-
ROE	0,0864	0,2338	(0,15)	(63,05%)
Total Assets	1 506	1 332	174	13,06%
Intangibles	1 420	1 250	170	13,60%
Book value	(1 964)	(1 451)	(513)	35,35%
Equity	(544)	(201)	(343)	170,65%
Total Liabilities	2 050	1 533	517	33,72%
Interest bearing	-	250	(250)	(100%)
D/E	-	(1,24)	1,24	(100%)
ROA	(0,0312)	(0,0353)	0,0041	(11,55%)

SAIFORT

"Saifort" EAD is a subsidiary of "Sirma Group Holding" JSC since 2008, with the main goal of concentrating within itself the knowledge and expertise of "Sirma Group Holding" JSC, in the field of artificial intelligence and in the last year, its application in the field of cyber security. The company's activity is oriented towards specialization in the field of corporate cyber security and application of artificial intelligence to achieve the main goals of the same.

The company aims to modernize the cyber-security system of the group of companies owned and/or under the control of "Sirma Group Holding" JSC, as well as to attract external customers in need of a comprehensive solution in the same area.

Conditions for Business Development in 2024

"Saifort" EAD provides complete "holistic" services in the field of cyber security, company security, auditing according to modern cyber security standards and drafting of policies and procedures in this area.

In 2025, development through the Bulgarian and Israeli subsidiary, business in the field of comprehensive services in the field of cyber security continued:

- Main target markets - Israel, Middle East, Romania, Greece, Bulgaria, Scandinavian countries.

- Participation in leading events, in the field of cyber security, hospitality and logistics.

- Development of a strategy for entering the market in the USA, through the subsidiary companies of "Sirma Group Holding" JSC.

- Improving the processes of using the "Sirma Cyber Security Management Platform", by implementing artificial intelligence (AI).

- Hiring and training of highly qualified sales experts to operate the strategically planned markets.

- Conducting Penetration Tests and simulated attacks in the system of "Sirma Group Holding" JSC;

The company plans to provide a full package of services in the field of company and cyber security, by providing the following services:

A. "SOC" and "Response" team

The evolution of cyber threats and attacks in recent years has led to uncertainty in cyber ecosystems. Vital to meeting these challenges is building advanced Cyber Security Operations Centers (SOCs) providing an operational risk management framework within organizations to manage, monitor and respond to cyber security threats.



B. "CISO as a Service"

A key challenge facing the sector is the global shortage of skilled cybersecurity workers and the expertise available to help protect data at risk.

C. "Penetration Testing"

Growing demand for security solutions for software-based web and mobile applications is expected to boost the growth of the global security testing market. Additionally, the growing use of cloud-based cybersecurity services is expected to drive demand for vulnerability and security testing services. Moreover, with the increasing digitization in developing countries, it is expected to boost the trend of IoT-based connected devices. This, in turn, reinforces the need for vulnerability and security testing.

D. Audit, risk assessment and subsequent implementation of cyber security procedures

The continuing dynamic international environment and economic trends, show the growing need for comprehensive services in the field of cyber security and will allow the company, through the built, modern SOC center, to add new clients to the portfolio of your services.

ROWEB

Roweb Development is part of Sirma Group since 21.10.2024, with its head office in Pitesti (Romania) and branches in Craiova and Bucharest. The company provides software services for complex projects and global clients. Dedicated teams of experienced software professionals implement projects for clients in over 30 countries. Web, desktop and mobile applications, scalable websites with a focus on user experience are developed.

Business development conditions in the first quarter of 2025

The company operates in the following industries:

- E-commerce: The global e-commerce market continues its steady growth, supported by the ever-increasing use of mobile devices, the expanded integration of artificial intelligence and the growing expectations for personalized user experiences. Companies are looking for more flexible and adaptable platforms, with Magento e-Commerce remaining the leading choice thanks to its reliability, scalability and customization capabilities. Roweb is strategically positioned to meet these needs with its comprehensive solutions.

- Information Technology: The IT sector is showing steady growth, with an emphasis on cloud architectures, low-code/no-code platforms, AI integrations, and enhanced security. More and more companies are looking for partners to develop customized software with high added value. Our proven track record in building complex, flexible systems makes Roweb a preferred software services provider in a competitive environment.

- Telecommunications: The first quarter of 2025 saw accelerated deployment of 5G solutions and a focus on

In 2025, "Saifort" EAD will follow the implementation of its strategic goals, namely:

A. Development and development of main target markets - Israel, Middle East, Romania, Greece, Bulgaria, Scandinavian countries.

B. Hiring and training of qualified sales and marketing specialists who meet the requirements of the activity for the markets described above.

C. Maintaining and constantly updating the cyber security system of the group of companies owned and/or under the control of Sirma Group Holding JSC

D. Preparation of a set of procedures and policies for compliance with the requirements of the NIS 2 directive of the EU, for the companies of the group and external customers.

E. Attracting new, international clients in need of developing and implementing comprehensive solutions in the field of cyber security.

network process automation. Companies in the sector need software tools for infrastructure management, real-time data analysis and improved customer service. Roweb offers scalable, reliable and high-performance solutions that meet these requirements.

- Financial Services: The financial sector is a rapidly evolving segment, with increasingly stringent regulations around security and privacy. The first quarter of 2025 saw a surge in demand for secure online portals, mobile payment applications, and automated regulatory compliance (RegTech) systems. With a focus on UX and security, Roweb provides effective solutions tailored to the needs of banks and financial institutions.

- Healthcare: The digitalization of the healthcare sector continues – especially in the direction of telemedicine, electronic health record integration and digital planning of healthcare services. In the first quarter of 2025, healthcare organizations are looking for partners who can build secure, intuitive and personalized platforms. Roweb meets these requirements with its experience in creating patient-centric applications.

- Education: Technology in education is moving even deeper – with an emphasis on hybrid learning, adaptive learning environments and mobile solutions. In early 2025, there is an increased interest in interactive platforms, integrations with LMS systems and scalable websites. Roweb is ready to support this transition with its experience in developing personalized online educational portals.

By focusing on strategically important industries and combining technological expertise with a business-oriented approach, Roweb Development continues to expand its international presence and create sustainable partnerships in 2025.



Roweb Development is a software services company with extensive experience in delivering complex projects for global clients. Our dedicated teams of experienced software professionals have delivered projects for clients in over 30 countries. Based on the model of a specialized team, we develop web, desktop and mobile applications, scalable websites with a focus on user experience, personalized online portals and Magento e-Commerce solutions.

Perspectives and forecasts for 2025

Roweb Development expects to continue the positive dynamics from the beginning of the year and to realize revenue growth on current and new projects. Up to 10% increase in revenue from strategic long-term clients is forecasted, as a result of expanding existing contracts and

implementing additional services. Synergy is actively sought with the Sirma Group portfolio, with the aim of expanding the offerings in areas such as artificial intelligence, business analytics, cloud services and cybersecurity. The share of revenue from the Romanian market, which represents about 10% of the company's total revenues, is expected to increase, with a tendency for additional growth through localized campaigns and new business opportunities. In addition, the company will focus on expanding project activity in Western Europe and North America, with a priority on sectors such as financial services, healthcare and e-commerce.

These forecasts confirm Roweb's positive development trajectory in 2025, with a focus on sustainable growth, technological enrichment and market expansion.

FINANCIAL RESULTS

01.01.2025 – 31.03.2025

Revenues	3 354
EBITDA	513
Depreciation	(17)
Net Result	417
EBITDA margin	15,30%
Net Profit margin	12,43%
Sales per share	11,1800
EPS	1,3900
ROE	0,1153
Total Assets	6 375
Book value*	15
Equity	3 602
Total Liabilities	3 617
Interest bearing	2 758
ROA	0,0654



SIRMA GROUP HOLDING – separate financial results

	31.03.2025	31.03.2024/ 31.12.2024	Change BGN '000	Change %
Revenues*	26 083	1 903	24 180	1 270,63%
EBITDA	1 223	1 123	100	8,90%
Depreciation	(646)	(164)	(482)	293,90%
Net Result	538	953	(415)	(43,55%)
EBITDA margin	4,69%	59,01%	(54,32%)	(92,05%)
Net Profit margin	2,06%	50,08%	(48,02%)	(95,88%)
Sales per share	0,4394	0,0321	0,407	1 270,63%
EPS	0,0091	0,0161	(0,01)	(43,55%)
ROE	0,0071	0,0126	(0,01)	(43,95%)
Total Assets	104 878	108 150	(3 272)	(3,03%)
Intangibles	11 207	10 710	497	4,64%
Book value	64 716	64 675	41	0,06%
Equity	75 923	75 385	538	0,71%
Total Liabilities	28 955	32 765	(3 810)	(11,63%)
Interest bearing	8 128	7 085	1 043	14,72%
D/E	0,1071	0,0940	0,013	13,91%
ROA	0,0051	0,0088	(0,004)	(41,79%)

* The revenue and expenses, assets and liabilities also include those of the companies that merged into “Sirma Group Holding” JSC on 08.10.2024. According to the instructions of the Financial Supervision Commission, the income from dividends is included in the income from the main activity of “Sirma Group Holding” JSC.

7 RESULTS BY SEGMENTS

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

In the fourth quarter of 2024, management has defined a new operating segment structure. The comparative information for 2024 has been restated accordingly.

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

The summarized financial information for them for the reporting period is as follows:

	System Integration	Hospitality	Financial Industry	IT Services	Production	Others	Total
31.03.2025	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000	BGN'000
Segment revenues	15 214	2 540	3 844	6 076	1 106	3 417	32 197
Cost of materials and cost of goods sold	(12 622)	(1)	(115)	(21)	(26)	(141)	(12 926)
Hired services expenses	(836)	(627)	(438)	(1 451)	(142)	(781)	(4 275)
Employee benefits expense	(569)	(1 887)	(2 828)	(4 040)	(629)	(2 454)	(12 407)
Depreciation and amortization of non-financial assets	(164)	(144)	(181)	(163)	(257)	(179)	(1 088)
Other expenses	(5)	(6)	(46)	(67)	(21)	(211)	(356)
Segment operating profit/(loss)	1 018	(125)	236	334	31	(349)	1 145



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.

During the first quarter of 2025, "Sirma Group Holding" JSC was successfully certified under all necessary ISO standards. These certificates are important for the majority of clients of the segment.

"System Integration" is part of the "IT Services" sector. The tariffs announced by the US in April 2025 and the retaliatory tariffs from the affected countries will slow the forecasted growth, increase the risks facing the industry and increase uncertainty during the year.

An additional risk that the segment is facing in 2025 is the disruption of hardware supply chains caused by the escalating trade war. This could lead to delays in deliveries and project implementation.

Revenues from the segment in the first quarter of the year reached over BGN 15 million. The segment remains the leading one for the Group with almost half (47,25%) of the revenues for the quarter on the consolidated basis for the Holding. The profit achieved from the segment for the quarter amounted to BGN 1 018 thousand with a margin of 6,7%.

In the first quarter of 2025, significant deals were concluded, while the implementation of projects started at the end of 2024 continued in parallel. Here are the more significant deals from the first quarter of 2025:

- a project for the sale and integration of network equipment for one of the major telecom companies in Bulgaria;
- a project for the integration of cybersecurity equipment in data centers in 4 countries of a major fintech company;
- 2 major projects for the sale and integration of cybersecurity equipment in the state administration in Bulgaria;
- delivery of desktop computers for a major Bulgarian bank;
- a contract for the official representation of Apple for their business clients in Bulgaria was concluded.

The Bulgarian market remains dominant for the "System Integration" vertical with a share of 90%.

In the following quarters of 2025, the segment may face serious challenges related to the escalating trade war. Nevertheless, the team is prepared and confident in the implementation of the annual business plan.

Segment financial results:

	System Integration	
	31.03.2025	31.03.2024
	BGN'000	BGN'000
Segment revenues	15 214	10 679
Cost of materials and goods sold	(12 622)	(8 434)
Hired services expenses	(836)	(458)
Employee benefits expense	(569)	(483)
Depreciation, amortisation of non-financial assets	(164)	(161)
Other expenses	(5)	(14)
	1 018	1 129

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 first quarter of 2025, the segment continues to fulfill its strategic objectives:

- The main focus remains on developing a robust and sustainable sales model for software development and integration support services for the hospitality industry.
- The growth strategy is aimed at companies operating in the online reservation system sector, aiming to create new systems or develop existing ones for various providers of such services.
- Strategically, our efforts are focused on Western Europe, while exploring new sales opportunities in North America, with a plan to enter the Middle East market.
- The current economic conditions led to the suspension of some projects in the first quarter, which adversely affected the expected revenues and gross profit. However, there is a belief that the situation will improve in the second quarter, leading to a positive momentum by the end of the year.
- The development of Managed Integration Services (MIS), designed to support integrations within the hospitality industry, continues. This service operates on a subscription model, with reported monthly revenue growth averaging 3%, and the number of hotels served to clients reaching over 2 000 by the end of Q1 2025.
- Last quarter, the segment presented our services at the ITB conference in Berlin, where we had a dedicated booth. After eight years in the sector, the practice continues to maintain very good relationships with its clients and successfully present Sirma's vision for the future and development of the industry, which in turn leads to the expectation of new business opportunities and partnerships in the field.



• The number of employed people remained unchanged at the end of Q1. However, in Q2 it may experience some talent outflow due to market changes. Our focus has always been on retaining existing talent and developing new people internally in the teams, as finding suitable new employees is a challenge.

Outlook and forecasts for 2025:

• In response to the economic slowdown and budget constraints, the company intends to adopt a more cautious approach to hiring new staff, prioritizing maintaining the existing team and encouraging organic growth on projects to respond to industry trends

• The segment foresees sustainable growth, with a primary focus on positioning the company in the United States, which would lead to new partnerships and sales.

• 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 WTM, London

Segment financial results:

	Hospitality	
	31.03.2025	31.03.2024
	BGN'000	BGN'000
Segment revenues	2 540	2 889
Cost of materials	(1)	(13)
Hired services expenses	(627)	(439)
Employee benefits expense	(1 887)	(2 084)
Depreciation, amortisation of non-financial assets	(144)	(70)
Other expenses	(6)	(52)
	(125)	231

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

"IT Services" remains the leading segment in the ICT industry globally. It was expected (forecasts before April 2025) that the segment will grow by 9% in the global IT market in 2025 ([Gartner, January, 2025](#)). The tariffs announced by the US in April 2025 and the retaliatory tariffs from the affected countries will slow the forecasted growth, increase the risks facing the industry and increase uncertainty during the year.

This volatility was particularly highlighted in the US, where the President took a number of contradictory economic measures. It is expected to continue in the next quarter, thus increasing the risk of recession. This uncertainty has spilled over from the US to Europe, further exacerbated by the war in Ukraine. The result has been a deteriorating economic climate, heightened risks and project delays.

In addition to economic uncertainty, the IT Services vertical is also vulnerable to currency risk, which stems from the dramatic decline in the US dollar against the euro in early 2025 (4%) and the vertical's relatively high sales levels in the US (19% in the first quarter).

Revenue from the segment in the first quarter of 2025 reached over BGN 6 million. The segment accounting for almost 19% of the Holding's consolidated revenue in the first quarter. "IT Services" provides the profit margin of 1,9%, contributing BGN 334 thousand to the Holding's profit on consolidated basis for the first quarter of 2025.

In the first quarter of 2025, no contracts were concluded with new clients in the IT Services vertical. In early 2025, IT service contracts were re-signed with all old clients, and work on their projects continues accordingly. The most significant projects being worked on are:

IT Services in Europe:

- Support and improvement of a payment system for gift cards in the Scandinavian countries
- Support and improvement of a payment system for a large English operator
- Support and improvement of a large airline reservation system

IT Services in the retail segment:

- Support and improvement of a loyalty platform in several large malls in the Balkans
- Support and improvement 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 Economy and Trade 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, after-warranty support and ensuring continuity of the workflow and cybersecurity
- After-warranty maintenance of the Air Traffic License Manager



IT Services in the USA:

- we serve old clients of Sirma

In parallel with the work on projects that have started in the past years, the IT Services team is participating in four public tenders in Bulgaria. The results of the rankings in these tenders are expected in the second quarter of 2025.

Geographically, sales in the first quarter of 2025 were focused on Europe and the USA with strong sales in the Balkans.

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 margin achieved in 2024. The target geographic markets are: UK, DACH, Belgium, the Scandinavian countries and Romania.

Segment financial results:

	IT Services	
	31.03.2025	31.03.2024
	BGN'000	BGN'000
Segment revenues	6 076	2 112
Cost of materials	(21)	(6)
Hired services expenses	(1 451)	(199)
Employee benefits expense	(4 040)	(1 595)
Depreciation, amortisation of non-financial assets	(163)	(102)
Other expenses	(67)	(58)
	334	152

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 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 beginning of 2025, the segment successfully signed 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 Group 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.

Realized revenues for the first quarter of 2025 are better than in the first quarter of 2024 and the segment reports an excess over planned revenues. Although revenue realization is in an improving gradation, there is still uncertainty and delay in generating "new" projects and income. There is a positive trend in the assignment and winning of new projects for the segment.

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 segment, 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	
	31.03.2025	31.03.2024
	BGN'000	BGN'000
Segment revenues	3 844	4 570
Cost of materials	(115)	(15)
Hired services expenses	(438)	(840)
Employee benefits expense	(2 828)	(2 939)
Depreciation, amortisation of non-financial assets	(181)	(172)
Other expenses	(46)	(72)
	236	532

Segment "Production" operates in two main markets – that of software and hardware solutions in the field of Metrology and Quality Management in the production of metal products, as well as software for video measuring machines in partnership with manufacturers, and comprehensive solutions for automation and management of the production process of the packaging industry. The segment works with manufacturers of packaging and displays worldwide, served by a developed and expanding network of distributors and partners.

The Group's activities in the segment are concentrated in the subsidiary EngView Systems AD.

Geographically, sales in 2025 were directed to Europe and the USA.

An increase in customers in the segment is expected in 2025, which will also increase the volume of sales.

Segment financial results:

	Production	
	31.03.2025	31.03.2024
	BGN'000	BGN'000
Segment revenues	1 106	962
Cost of materials	(26)	(11)
Hired services expenses	(142)	(104)
Employee benefits expense	(629)	(548)
Depreciation, amortisation of non-financial assets	(257)	(218)
Other expenses	(21)	(23)
	31	58

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

The Group 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 first quarter of 2025, the "Other" segment included sales in the following leading segments:

- Software and IT services for insurance companies
- Software and IT services for transport and logistics companies
- Software and IT services for health services

The activity of all three sub-segments included in the "Others" segment is part of the "Software" industrial sector. It is the most dynamically developing sector among the others in ICT worldwide.

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 rich palette of clients in this segment contributes to the diversification and sustainability of sales in the Group, as well as creates prerequisites for further development of some of the segments into independent significant segments in the future.

Segment financial results:

	Others	
	31.03.2025	31.03.2024
	BGN'000	BGN'000
Segment revenues	3 417	2 675
Cost of materials	(141)	(151)
Hired services expenses	(781)	(717)
Employee benefits expense	(2 454)	(2 688)
Depreciation, amortisation of non-financial assets	(179)	(302)
Other expenses	(211)	(135)
	(349)	(1 318)

8 MAIN MARKETS

Consolidated earnings of Sirma Group Holding for the historical period under review are of different nature and geographic origin. Traditionally, revenues from services and goods have the highest share. At the same time, Europe, North America and the United Kingdom are at the forefront of geographic distribution of earnings. Revenues by region and countries are presented in the following table.

Revenue by regions and countries:

Region	31.03.2025	31.03.2024	Change	Change
	BGN '000	BGN '000	BGN '000	%
Europe	25 905	16 608	9 297	55,98%
North America	3 726	3 406	320	9,40%
United Kingdom	1 924	3 327	(1 403)	(42,17%)
Asia	441	357	84	23,53%
South America	157	143	14	9,79%
Australia	44	42	2	4,76%
Africa	-	4	(4)	(100%)
Total	32 197	23 887	8 310	34,79%

"Sirma Group Holding" JSC and the companies of the Group realize their production and services without geographical restrictions. However, the Group traditionally generates the highest sales in Europe and North America. Together with the revenue from United Kingdom, they traditionally account for 98,01% of the total amount of consolidated revenues. Nevertheless, due to the extreme diversification of its products and services, which are applied in many completely different sectors and customers, there can be no question of any dependence of the Group on individual customers or on certain services.

In Q1 2025, the Group made sales in 53 countries. In the consolidated revenues, the largest share is the revenues from Bulgaria in the amount of BGN 18 852 thousand or 58,55% of total consolidated revenues, followed by the USA with BGN 3 401 thousand or 10,56% and from United Kingdom with BGN 1 924 thousand or 5,98%.



9 CONSOLIDATED FINANCIAL RESULTS

Consolidated revenues

Consolidated revenues includes:

	31.12.2024	31.12.2023	Change	Change
	BGN '000	BGN '000	BGN '000	%
Revenue from contracts with customers	32 015	23 710	8 305	35,03%
Revenue from financing	22	-	22	n/a
Gain on sale of non-current assets	1	-	1	n/a
Other income	159	177	(18)	(10,17%)
Total	32 197	23 887	8 310	34,79%

Consolidated revenues in Q1 2025 increased by 34,79% or BGN 8 310 thousand compared to Q1 2024.

Consolidated revenue by product line includes:

	31.03.2025	31.03.2024	Change	Change
	BGN '000	BGN '000	BGN '000	%
Sale of IT equipment	13 875	9 654	4 221	43,72%
Software services	13 726	9 186	4 540	49,42%
Subscriptions	2 039	1 369	670	48,94%
Licenses	681	663	18	2,71%
Cloud services	475	452	23	5,09%
Consulting services	388	949	(561)	(59,11%)
Support	335	570	(235)	(41,23%)
System integration	-	370	(370)	(100%)
Others	496	497	(1)	(0,20%)
Total	32 015	23 710	8 305	35,03%

For the first quarter of 2025, the Group reports recurring revenues as follows:

	Amount (BGN '000)	Percentage of revenue
Support and Service	1 308	4%
IT Systems Development and Management	7 653	24%
Subscriptions and Licenses	992	3%
Long-Term Contract Services	2 484	8%
Total Recurring Revenue	12 438	39%
Other Revenue	19 760	61%
Total Revenue	32 197	100%

Recurring revenues are stable, predictable and constant over time.

Maintenance and service

Maintenance and service cover activities related to ensuring the normal and continuous operation of software and hardware systems by eliminating problems that arise, applying updates, technical assistance and general operational support. Normally, these are long-term or indefinite contractual relationships with well-valued commitments for both parties.

Building and managing IT systems / Managed services

Managed services are a long-term assignment model, in which the company takes on the overall responsibility for managing, monitoring and optimizing IT services or systems, in order to increase efficiency, security and operational reliability. Due to the nature of insight into the client's problems, these commitments are long-term and easily predictable in terms of value over time.



Subscriptions and licenses

Subscriptions are a form of commercial relationship in which the client pays a predetermined periodic amount (monthly, quarterly, annually, etc.) for access to products or services for the relevant period. Although formally customers have the option to cancel a product or service, statistically this happens in less than 10% of cases, on an annual basis.

Services under long-term contracts

These are services provided on the basis of contractual relationships, which include a clause for automatic continuation of the contract after the initial term, unless one of the parties expresses a desire to terminate. In general, these are contracts for expert development of key software systems at the client's premises, where the replacement of the supplier is an atypical and last resort and is practiced only in exceptional circumstances. This model provides a stable revenue stream and predictability in the reporting periods.

Consolidated expenses

	31.03.2025	31.03.2024	Change
	BGN '000	BGN '000	(BGN '000,%)
Cost of materials	(280)	(279)	(1)
<i>Change in %</i>			0,36%
Hired services expenses	(4 275)	(2 757)	(1 518)
<i>Change in %</i>			55,06%
Employee benefits expense	(12 407)	(10 337)	(2 070)
<i>Change in %</i>			20,03%
Depreciation and amortisation of non-financial assets	(1 088)	(1 025)	(63)
<i>Change in %</i>			6,13%
Cost of goods sold and other current assets	(12 646)	(8 351)	(4 295)
<i>Change in %</i>			51,43%
Other expenses	(356)	(354)	(2)
<i>Change in %</i>			0,56%
Total expenses	(31 052)	(23 103)	(7 949)
<i>Change in %</i>			34,41%

In Q1 2025 consolidated operating expenses increased by BGN 7 949 thousand or by 34,41% compared to Q1 2024. The highest share in the consolidated operating expenses is the consolidated employee benefits expense (39,96%), followed by the expenses for hired services expenses (13,77%).

Consolidated financial income / costs (net)

	31.03.2025	31.03.2024	Change	Change
	BGN '000	BGN '000	BGN '000	%
Financial costs	(316)	(110)	(206)	187,27%
Financial income	6	77	(71)	(92,21%)
Financial income / costs (net)	(310)	(33)	(277)	839,39%

Consolidated financial income decreased by BGN 71 thousand or by 92,21% in Q1 2025, mainly due to the decrease in income from foreign exchange operations. Consolidated financial costs increased by BGN 206 thousand or by 187,27% in Q1 2025, mainly due to the increase of expenses from operations with financial assets.



Consolidated assets

Consolidated assets posted an decrease of BGN 3 386 thousand or 2,86% in Q1 2025.

Non-current assets

	31.03.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	BGN '000	%
Goodwill	39 777	39 478	299	0,76%
Property, plant and equipment	15 172	14 456	716	4,95%
Intangible assets	22 250	21 810	440	2,02%
Deferred tax assets	820	820	-	-
Total non-current assets	78 019	76 564	1 455	1,90%

Non-current assets increased by BGN 1 455 thousand or 1,90% in Q1 2025.

Current assets

	31.03.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	BGN '000	%
Inventory	686	1 667	(981)	(58,85%)
Trade and other receivables	27 092	23 021	4 071	17,68%
Prepayments and other assets	1 101	1 269	(168)	(13,24%)
Short-term related party receivables	454	473	(19)	(4,02%)
Income tax receivables	4	18	(14)	(77,78%)
Financial assets at fair value through profit or loss	313	313	-	-
Cash	7 468	15 198	(7 730)	(50,86%)
Total current assets	37 118	41 959	(4 841)	(11,54%)

Current assets increased by BGN 4 841 thousand or by 11,54 % in Q1 2025.

Equity

	31.03.2025	31.12.2024	Change
	BGN '000	BGN '000	(BGN '000,%)
Share Capital	59 361	59 361	-
<i>Change</i>			-
Purchased own shares	(1 689)	(1 689)	-
<i>Change</i>			-
Reserves	9 663	9 595	68
<i>Change</i>			0,71%
Retained earnings	13 582	13 487	95
<i>Change</i>			0,70%
Equity attributable to the owners of the parent	80 917	80 754	163
<i>Change</i>			0,20%
Non-controlling interest	4 119	3 833	286
<i>Change</i>			7,46%
Total	85 036	84 587	449
<i>Change</i>			(0,53%)

Equity in Q1 2025 increased by BGN 449 thousand or by 0,53 %.



Consolidated liabilities

Consolidated liabilities decreased by 3 835 BGN thousand or 11,30% in Q1 2025.

Non-current liabilities

	31.03.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	BGN '000	%
Pension obligations	741	741	-	-
Long-term borrowings	5 674	6 009	(335)	(5,57%)
Long-term lease liabilities	827	691	136	19,68%
Long -term related party payables	245	245	-	-
Deferred tax liabilities	326	326	-	-
Financing	513	518	(5)	(0,97%)
Total non-current liabilities	8 326	8 530	(204)	(2,39%)

Non-current liabilities decreased by BGN 204 thousand or by 2,39% in Q1 2025.



Long-term and short-term bank loans

Recipient of credit	In Bank	Type of loan	Currency	Total amount of credit (BGN)	Outstanding obligation to 31.03.2025 (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 index and additional interest rate for regular debt for the relevant interest period.	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 UBB's short-term interest rate /SIP/ for the contract period plus an annual premium.	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	805 597,45	10.10.2024	Variable interest rate in the amount of UBB's short-term interest rate /SIP/ for the contract period plus an annual premium.	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



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

Lender	Recipient	United identification code	Relationship	Type	Currency	Liability as of 31.03.2025 (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 Technologies	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
Sirma Group Holding	Sciart Shpk.		Subsidiary	Loan	EUR	84	25.7.2023	3	01.09.2025	No pledges
Sirma ICS	Sirma Group Holding	200101236	Parent company	Deposit	BGN	250	04.2.2025	0.10	04.02.2027	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).

Other loans and deposits received from Sirma Group Holding and its subsidiaries:

Recipient	Lender	United identification code	Relationship	Type	Currency	Liability as of 31.03.2025 (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
Sciart Shpk.	Sirma Group Holding	200356710	Company under common control	Loan	BGN	84	25.07.2023	3	01.09.2025	No pledges
Sirma Group Holding	Sirma ICS	203940550	Subsidiary	Deposit	BGN	250	04.2.2025	0.10	04.02.2027	No pledges



Current liabilities

	31.03.2025	31.12.2024	Change	Change
	BGN '000	BGN '000	BGN '000	%
Provisions	77	77	-	-
Employee obligations	5 013	5 498	(485)	(8,82%)
Short-term borrowings	1 394	268	1 126	420,15%
Short-term lease liabilities	480	379	101	26,65%
Trade and other payables	10 835	15 296	(4 461)	(29,16%)
Contract liabilities	2 134	2 359	(225)	(9,54%)
Short-term related party payables	1 622	1 473	149	10,12%
Income tax liabilities	190	26	164	630,77%
Financing	30	30	-	-
Total current liabilities	21 775	25 406	(3 631)	(14,29%)

Current liabilities decreased by BGN 3 631 thousand or 14,29% in Q1 2025.

Cash flows

The Group has no liquidity problems and operates with the available resources while maintaining a low level of indebtedness for the period under review. Traditionally, the largest pay-out in revenue streams is paid by customers, while the role of a negative item is paid by payments to suppliers and payments for staff and social security contributions.

Summary of cash flow

	31.03.2025	31.03.2024	Change	Change
	BGN '000	BGN '000	BGN '000	%
Net cash flow from operating activities	(6 836)	662	(7 498)	n/a
Net cash flow from investing activities	(1 397)	(607)	(790)	130,15%
Net cash flow from financing activities	639	(1 713)	2 352	n/a
Net change in cash	(7 594)	(1 658)	(5 936)	358,02%
Cash at the beginning of the year	15 198	14 694	504	3,43%
Exchange gains/(losses) on cash and cash equivalents	(136)	(4)	(132)	3 300%
Cash at the end of the year	7 468	13 032	(5 564)	(42,69%)



Indicators and ratios

№	Indicators (in BGN '000)	31.03.2025	31.03.2024/ 31.12.2024	Change (value)	Change %
1	Revenue from operating activities	32 197	23 887	8 310	34,79%
2	Cost of sales	(30 696)	(22 749)	(7 947)	34,93%
3	Gross profit / loss	1 501	1 138	363	31,90%
4	Other operating costs	(356)	(354)	(2)	0,56%
5	Operating profit / loss	1 145	784	361	46,05%
6	Financial income	6	77	(71)	(92,21%)
7	Financial costs	(316)	(110)	(206)	187,27%
8	Profit / loss before tax expense	835	751	84	11,19%
9	Tax costs	(68)	-	(68)	n/a
10	Net profit / loss	767	751	16	2,13%
11	Dividend	-	1 491	(1 491)	(100%)
12	Cash and cash equivalents	7 468	15 198	(7 730)	(50,86%)
13	Inventories	686	1 667	(981)	(58,85%)
14	Short-term assets	37 118	41 959	(4 841)	(11,54%)
15	Total amount of assets	115 137	118 523	(3 386)	(2,86%)
16	Average arithmetic total asset value for 5 quarters	101 467	97 543	3 923	4,02%
17	Current liabilities	21 775	25 406	(3 631)	(14,29%)
18	Debt	8 375	7 347	1 028	13,99%
19	Liabilities (borrowed funds)	30 101	33 936	(3 835)	(11,30%)
20	Equity	85 036	84 587	449	0,53%
21	Equity averaged 5 quarters	79 289	78 207	1 082	1,38%
22	Turnover capital	15 343	16 553	(1 210)	(7,31%)
23	Number of shares at the end of the period (in thousands)	59 361	59 361	-	-
24	Profit / loss minority interest	289	48	241	502,08%
25	Interest expenses	(40)	(17)	(23)	135,29%
26	Weighted average price of last trading session	1,10	0,745	0,355	47,65%
27	Last price per share of last trading session	1,09	0,750	0,340	45,33%



Indicators	31.03.2025	31.03.2024/ 31.12.2024	Change (value)	Change %
EBITDA	1 963	1 793	170	9,47%
DEPRECIATION	(1 088)	(1 025)	(63)	6,13%
EBIT	875	768	107	13,93%
FIN/INVEST NET	(310)	(33)	(277)	839,39%
EBT	835	751	84	11,19%
ROA	0,0042	0,0059	(0,0018)	(30,01%)
Debt/EBITDA Ratio	4,2664	4,0973	0,1691	4,13%
Quick Ratio	1,6731	1,5859	0,0872	5,50%
ROE	0,0097	0,0096	0,00007	0,74%
Debt/Equity Ratio	0,3540	0,4012	(0,0472)	(11,77%)
Profitability ratios				
Gross profit margin	0,0466	0,0476	(0,0010)	(2,14%)
Operating profit margin	0,0356	0,0328	0,0027	8,35%
Net profit margin	0,0238	0,0314	(0,0076)	(24,23%)
Return on Assets	0,0076	0,0077	(0,0001)	(1,82%)
Return on Equity	0,0097	0,0096	0,0001	0,74%
Coefficients for assets and liquidity				
Assets turnover ratio	0,3173	0,2449	0,0724	29,58%
Operating cycle	2,0985	1,4431	0,6554	45,42%
Current ratio	1,7046	1,6515	0,0531	3,21%
Quick ratio	1,6731	1,5859	0,0872	5,50%
Cash ratio	0,3430	0,5982	(0,2552)	(42,67%)
Odds per share				
P/S ratio	2,0280	1,8514	0,1767	9,54%
P/E ratio	85,1331	58,8867	26,2464	44,57%
Revenue per share	0,5424	0,4024	0,1400	34,79%
Earnings per share	0,0129	0,0127	0,0003	2,13%
Book value of equity per share	1,3357	1,3175	0,0182	1,38%
Development Ratios				
Revenue growth	0,3479	0,2402	0,1076	44,81%
Gross profit growth	0,3190	0,1507	0,1683	111,73%
Assets growth	(0,0286)	0,2408	(0,2694)	n/a
Dividend Ratios				
Dividend Payout Ratio	-	0,0146	(0,0146)	(100%)
Retention Ratio	1,0000	0,9854	0,0146	1,49%
Dividend Per Share	-	0,0002	(0,0002)	(100%)
Leverage Ratios				
Debt/total assets	0,0825	0,0753	0,0072	9,58%
Debt/capital	0,0955	0,0859	0,0097	11,25%
Debt/equity	0,1056	0,0939	0,0117	12,44%
Total assets/equity	1,2797	1,2472	0,0325	2,60%
Market value of the company	64 703	44 521	20 183	45,33%



Related companies transactions**Transactions with other related parties**

	31.3.2025	31.3.2024
	BGN'000	BGN'000
Sales of:		
- goods	137	-
- services	24	29
Purchases of:		
- services	-	5

10 EMPLOYEES AND ECOLOGY**Ecology**

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

Employees

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

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

Count of employees in the Group:

31.03.2025

Company	LC	CMC	Total
SIRMA GROUP HOLDING	429	9	438
ROWEB, ROMANIA	135	4	139
ENGVIEW SYSTEMS	31	3	34
SCIANT SHPK., ALBANIA	27	1	28
SIRMA SHA, ALBANIA	17	3	20
SIRMA ICS	9	1	10
DATICUM	9	2	11
SIRMA MEDICAL SYSTEMS	4	3	7
SIRMA AB	2	-	2
SIRMA GROUP INC., USA	2	1	3
SAIFORT	2	3	5
ENGVIEW SYSTEMS GERMANY	1	1	2
SIRMA TECH, UK	-	1	1
Total	668	32	700



31.03.2024

Company	LC	CMC	Total
SIRMA SOLUTIONS	163	7	170
SCIANT	131	4	135
SIRMA BUSINESS CONSULTING	74	5	79
SIRMA INSURTECH	37	1	38
ENGVIEW SYSTEMS	35	4	39
SCIANT SHPK., ALBANIA	28	1	29
SIRMA GROUP HOLDING	21	9	30
SIRMA SHA, ALBANIA	15	3	18
SIRMA TECH, UK	11	1	12
SIRMA ICS	7	1	8
DATICUM	7	2	9
SIRMA MEDICAL SYSTEMS	3	3	6
SIRMA CI	2	3	5
SIRMA AB	2	0	2
SIRMA GROUP INC., USA	2	1	3
SAIFORT	1	3	4
ENGVIEW SYSTEMS GERMANY	1	1	2
Total	540	49	589

11 RISK FACTORS

Risk management objectives and policies

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

The Group's risk management is carried out by the central administration, in close co-operation with the board of directors and focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

The most significant financial risks to which the Group is exposed are described below.

Market risk analysis

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

As the economic consequences of the war in Ukraine unfolded, strong inflationary pressures arose and annual inflation for the period March 2025 compared to March 2024, as measured by National Statistical Institute with the Harmonized Index of Consumer Prices (HICP) was 4%.

Foreign currency risk

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

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



Despite the small amount of financial instruments in foreign currency, the impact of the general economic situation and the dynamics of the international markets could have an impact that would lead to unexpected changes in the exchange rate of the US dollar and this would affect the financial results of the Group in the future.

Interest rate risk

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing.

In Q1 2025, The Group is not exposed to a significant risk of changes in market interest rates under the investment loan agreement as the interest rate did not change during the year. All other financial assets and liabilities of the Group have fixed interest rates.

Credit risk

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

Financial assets	31.3.2025	31.12.2024
	BGN'000	BGN'000
Financial assets at fair value through profit or loss:		
Current financial assets	313	313
Trade and other receivables	27 092	23 021
Related party receivables	454	473
Cash	7 468	15 198
	35 327	39 005

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

The Group's management has performed an analysis of the settlements with its counterparties, as well as the potential effect on their credit quality, incl. in terms of forming a reasonable amount of expected credit losses, according to the adopted model for determining them in accordance with IFRS 9. Based on the analysis, and taking into account the collection of receivables in the period after the pandemic, until the date of preparation of the pandemic In this consolidated financial statement, the Management Board considers that in the short term there are no indications of deterioration in the credit quality of counterparties, and that there are currently no grounds to change the model for calculating expected credit losses, including due to lack of credit losses. sufficiently reliable data. The long-term perspectives and potential effects on the collection and credit quality of the estimates are subject to constant monitoring and updating by the Management.

None of the Group's financial assets are secured by collateral or other credit enhancements in regard to transactions.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various industries and geographical areas. Based on historical information about customer default rates management consider the credit quality of trade receivables that are not past due or impaired to be good.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Liquidity risk

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

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.



As at 31 March 2025, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

31 March 2025	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years
	BGN'000	BGN'000	BGN'000	BGN'000
Borrowings	697	697	5 674	-
Finance lease obligations	240	240	827	-
Trade and other payables	10 835	-	-	-
Related party payables	1 622	-	-	-
Total	13 394	937	6 501	-

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows:

31 December 2024	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Over 5 years
	BGN'000	BGN'000	BGN'000	BGN'000
Borrowings	-	268	5 616	393
Finance lease obligations	197	197	707	-
Trade and other payables	14 140	-	-	-
Related party payables	1 473	-	245	-
Total	15 810	465	6 568	393

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the reporting date.

Financial assets used for managing liquidity risk

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables do not significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within six months.

12 OTHER INFORMATION AS PER APPENDIX 11 OF ORDINANCE 2 OF THE FSC

12.1 Information about events and indicators with unusual nature for the Group, having a significant effect on the activity and the income and expenditure; evaluation of their impact on results in the current period

There are no events and indicators with an unusual nature for the Group that have a significant impact on its operations and its realized revenues and expenses.

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

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



12.3 Information about the use of funds from the new issue of securities, carried out during the reporting period.

The Group did not use funds from a new issue of securities in the reporting period.

12.4. Analysis of the relationship between the financial results achieved, reported in the financial statement for the reporting period and earlier published projections for these results.

No forecasts for financial results have been published.

12.5 Analysis and financial evaluation of the financial resources management policy with the position of opportunities for the service of the obligations, the eventual threats and measures which the group was prevented or provided to take for the purpose of removing them.

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

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

12.6 Assessment of the possibilities for the implementation of investment intentions with the significance of the amount of expenditure and the effectiveness of the possible changes in the structure of financing that activity.

The management implements its investment intentions, fully observing the operational needs and capabilities of the company. At the heart of these decisions is the ability to effectively finance the ventures through equity and debt capital, in accordance with the market situation. The main indicators that the management monitors when making investment decisions are the financial costs and cash flows of the company.

12.7 Information about occurring changes for the reporting period in the main principles for the management of the Group.

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

12.8 Information about the main characteristics of the financial reporting processing internal control system and risk management system

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

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

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

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

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



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

There were no changes during the current period.

12.10 Information about the known to the Group agreements (including also after the closing of the period) as a result of which changes may occur at a future time in the owned percent of shares or bonds by current shareholders or bondholders.

The Group has no information of agreements which may alter the owned percent of shares by current shareholders. The Group has not issued bonds.

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

Stanislav Tanushev

Bul. 135 Tsarigradsko shose, fl. 3

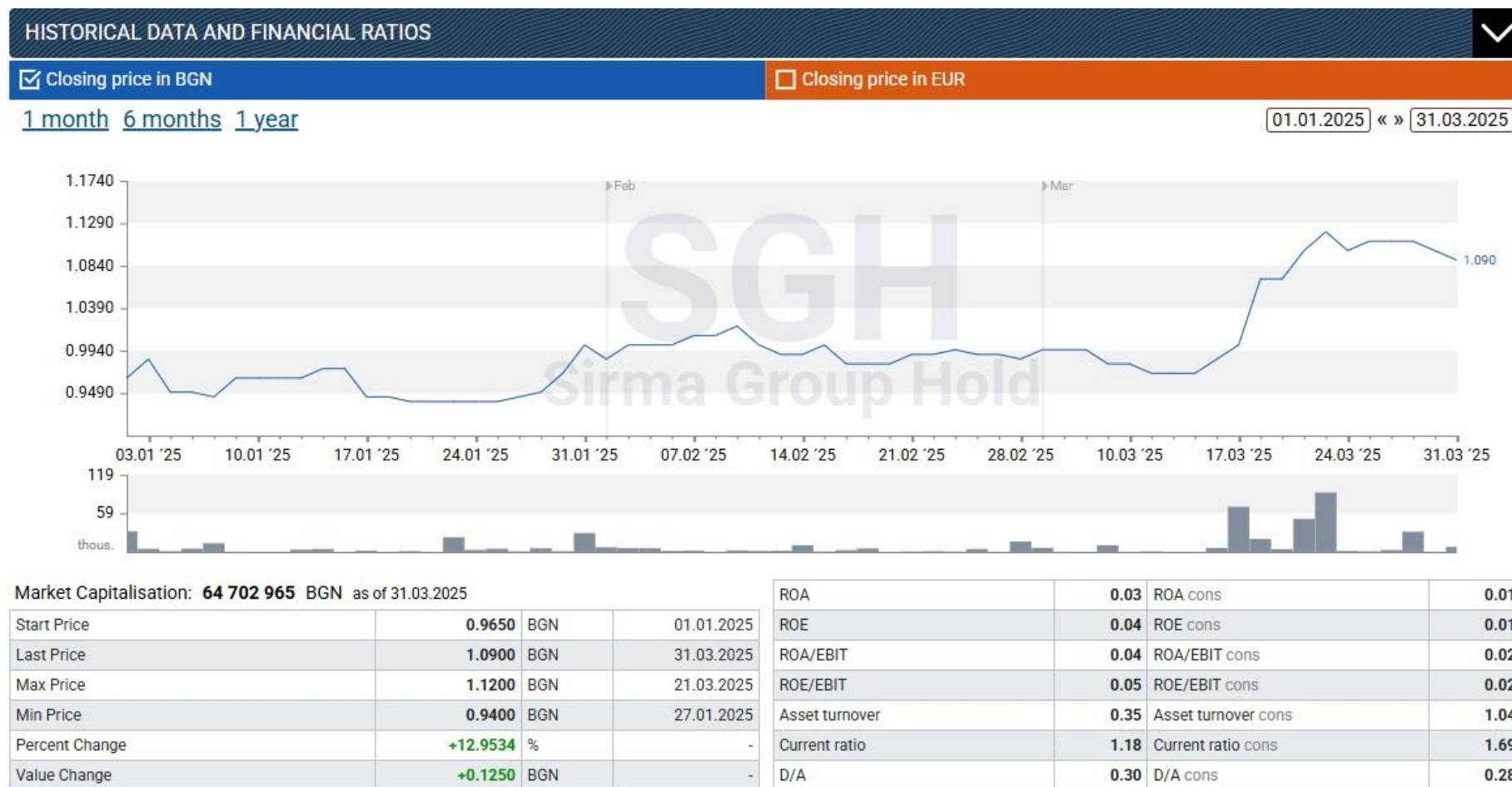
Sofia 1784

ir@sirma.com

Contact phone: +359 2 976 8310



13 CHANGES IN THE PRICE OF THE SHARES OF THE COMPANY



14 EVENTS AFTER THE END OF THE REPORTING PERIOD

Buyback of shares by the company

At the Extraordinary General Meeting of Shareholders of "Sirma Group Holding" JSC held on 08.04.2025, a decision was adopted for the company to repurchase its own shares.

The Board of Directors must carry out the repurchase under the following conditions:

- The maximum number of shares subject to repurchase is 5 300 000.
- Minimum price 0.85 BGN per share and maximum price 4 BGN per share. Maximum total price for repurchase of shares - no more than 21 200 000 (twenty-one million and two hundred thousand) BGN. In the event of a change in the official currency in the Republic of Bulgaria, the price of a share will be calculated in the new official currency determined in accordance with the applicable legislation, applying the legally prescribed exchange rate.
- The redemption period is until 31.12.2028.
- Method of repurchase - through an investment intermediary.

The General Meeting of Shareholders authorizes the Board of Directors to take all necessary legal and factual actions to implement the buyback.

Sale of own shares by the company

On 09.04.2025, in implementation of its bonus policy, Sirma Group Holding JSC sold 400 000 of its shares at an average price of BGN 1.00 per share for a total value of BGN 400 000. The shares represent 0,67% of the company's capital. The sale was made on an unregulated over-the-counter market (Bulgaria).

Sofia
27.05.2025

Executive Director:
Tsvetan Alexiev

