

To
The BSE-Sofia
The Financial Supervision Commission
The Investment Community
Sofia

Re.: the actual or potential impact of COVID 19 on the activities of Sirma Group Holding AD

Date: 18.03.2020

Dear Sirs,

In accordance with the requirements of the Public Offering of Securities Act, Ordinance No.2 of the FSC and Regulation 596/2014 of the EP and the Council and in accordance with ESMA's recommendations to the participants on the capital markets, published on March 11, 2020, hereby notify you of the actual or potential impact of COVID 19 on the activities of Sirma Group Holding AD:

Impact of COVID 19 on the activity:

The fight against COVID 19 imposes restrictions on the movement and the gathering of people in order to limit the spread of the infection. Accordingly, the use of remote work and trade models for goods and services is stepping up on a global scale. Sirma Group Holding's business, namely "IT Services" and "Enterprise Software Development", is best suited for remote work because:

- the Sirma companies have been working with clients all over the world remotely for more than 20 years;
- the Sirma companies are technologically well equipped and have the expertise to use all existing means for remote work, collaboration and communication.

Through the activities of Sirma Group companies, we also assist our clients in their efforts to work remotely - within the enterprises and with their clients:

- the Sirma companies have successfully offered remote work, outsourced infrastructure and provided virtual services through the Sirma cloud to our clients for more than 10 years;

- Sirma companies create mobile applications and applications which facilitate the remote provision of goods and services to the clients of our customers, thereby providing the opportunity for sustainability under the current constraints of their respective business models.

Business continuity:

Since March 10, 2020, the companies of Sirma Group Holding have been working under our "Emergency Management Program". Since 16.03.2020 most of the employees of the Sirma companies work remotely without leaving their homes. The "Emergency Management Program" is fully technically equipped and is implemented by all of the company employees.

The "Emergency Management Program" ensures that the workflow of the Sirma Group companies is completely uninterrupted.

Potential risks:

Projects and activities related to the normal operations of the Sirma Group companies have not been identified as risky.

Despite the resilience of the business model of the Sirma Group companies to the negative effects of COVID 19 restrictions and the lack of impact on normal operations, some business risks exist.

The risks to the activities of the Sirma Group companies are related to the possibility of a widespread economic crisis, which will severely reduce projects and sales which are related to new technological investments in the whole economy or in individual sectors of the economy.

There is also a limited risk of decreased sales associated with the cancellation of trade exhibitions and conferences.

Valuation of existing risks is impossible with the existing information

Sirma Group Holding JSC will continue to inform our investors, clients and partners on the business sustainability linked with the COVID 19 outbreak.

Kind regards,

Tsvetan Alexiev
CEO



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