

To
BSE-Sofia AD
Financial Supervision Commission
Investment Community
Sofia

Regarding: acquisition of majority shares in Sciant JSC

Date: 16 November, 2021

Dear Sirs,

In accordance with the requirements of the Public Offering of Securities Act, Ordinance 2 of the FSC and Article 17 of Regulation 596/2014 of the EP and the Council, we inform you of the following:

On 16 November 2021, following the received approval from the Commission for Protection of Competition, Sirma Group Holding JSC signed a contract with the shareholders of the IT company Sciant JSC, for the acquisition of a majority stake, as follows:

- Acquired share: 80% (eighty per hundred) or 200,000 (two hundred thousand) shares of the company;
- Option: the contract also provides for an option for Sirma Group Holding JSC for subsequent acquisition of the remaining 20% of the company's shares on 01.04.2024.

With the implementation of this contract, Sciant JSC officially becomes part of Sirma Group Holding JSC.

Purpose of the acquisition

The acquisition was made in accordance with the Growth and Development Strategy of Sirma Group Holding JSC. Sciant JSC will maintain its organizational structure and management, and at the same time will be able to count on the support of Sirma Group Holding JSC. The expected benefits of this acquisition are:

- Strengthening the sustainability of the Group and its competitiveness;
- Expanding the penetration in the target foreign markets (Europe, UK and the USA) and strengthening the potential for export for the Group's IT products and services;
- Increasing the production potential of the group;
- Entry of the Group in new vertical markets;
- Creating an opportunity for cross-selling;
- Improving products and services of the Group, through the use of applicable technologies and know-how in both organizations;
- Synergy and support between the companies within the Group.



Information about Sirma Group Holding JSC

Sirma Group Holding JSC, established in 1992, is one of the largest software groups in Bulgaria, a pioneer in the field of artificial intelligence technologies. Sirma has a B2B focus and specializes in custom software development, IT and business consulting and professional software services in several areas - banking and insurance, market intelligence, healthcare, packaging and measurement.

The companies in the group create world-renowned software products based on semantic technologies, industrial software, applications in the field of telemedicine, cybersecurity and cloud solutions, e-government platforms, e-administrative services and more.

The group employs over 400 experienced software professionals who have implemented hundreds of successful projects on five continents.

Sirma is an export-oriented group. In 2020, the Group sold its products and services in 53 countries. The consolidated revenue of BGN 59.4 million has the following structure:

- Bulgaria - BGN 23.2 million or 39.36% of the total sales revenues realized globally;
- USA - BGN 13.6 million or 22.91%;
- UK - BGN 9.8 million or 16.48%;
- Europe (excluding Bulgaria and UK) - BGN 9.7 million or 16.40%.

Sirma Group has divisions in Albania, Brazil, Bulgaria (6), Great Britain, Germany and the USA.

Significant clients of Sirma Group: Bank of America (USA), EY, Department of National Defense (USA), Mascoma Bank (USA), National Art Gallery (USA), JP Morgan Chase Bank (USA), Elections Canada, Royal Canadian Mounted Police, Bank of the Bahamas, Credit Agricole, Library of Parliament (UK), BBC, Financial Times, S&P Global, Hewlett Packard (UK), BTA, Council of Ministers (BG), Ministry of Defense (BG), Ministry of Finance (BG), National Revenue Agency (BG), CCB (BG), D Bank (BG), FIBank (BG), ZK Armeec (BG), Kintex AD (BG), Karol AD (BG), OffNews.bg (BG) and others.

Information about Sciant JSC

Sciant AD is a dynamically developing Bulgarian IT company, established in 2016. The company employs over 100 experienced software specialists. The company specializes in developing and exporting software products and services to countries in Europe, the UK, USA and Singapore. The company has a B2B focus with emphasis on companies in the travel and hospitality, transport and logistics, and fintech and banking sectors. Although at a smaller scale, the company also works with Bulgarian companies. For them it performs IT product development, systems integration, managed IT services, hosting, support and maintenance, consulting and project management.

Sciant is an export-oriented company and the bulk of its revenue comes from overseas sales. The realized revenues for 2020 of BGN 6.1 million have the following structure:

- America (USA and Cayman Islands) - BGN 2.2 million, or 36.65%;
- Europe (excluding Bulgaria and UK) - BGN 1.6 million, or 25.53%;
- UK - BGN 1.2 million, or 19.62%;
- Asia and Australia BGN 1 million, or 16.26%;
- Bulgaria BGN 118 thousand, or 1.94%.



Sciant JSC has divisions in Bulgaria and the Czech Republic.

Significant clients of Sciant JSC: Avalara (USA), iVvy (Australia), Oaky B.V. (The Netherlands), Protel (Germany), Criton (UK), HotelResBot (Germany), Hotelkit (Austria), Data Travel (USA), Warner Leisure Hotels (UK), Pace Revenue Management (UK), DHL (Germany), Invata (USA), Ligentia (UK), Northwind (Canada), Advantage Route Systems (USA), Quincus (Singapore), Alpian Technologies (UK), Straight Forward Concepts (USA), Targens (Germany), Shift4 Payments (USA).

Kind regards,

Stanislav Tanushev
Investor Relations Director
Sirma Group Holding JSC

