



Board of Directors of Neurosoft S.A. approves 2012 Financial Results

- Consolidated revenues in 2012 to € 3,52 million (€ 2,91 million in 2011)
- Gross profit (loss) in 2012 to € 1,35 million (€0,47 million in 2011)
- Net loss in 2012 to € (0,050) million (€ (1,26) million in 2011)
- Net Financial Position as of 31 December 2012 to € 1,0 million (€ 0,93 million as of 31 December 2011)

Athens, 22nd of March 2013 - The Board of Directors of **Neurosoft S.A.** met today and approved the 2012 audited consolidated financial statements, including the results for its subsidiaries, Rockberg Holding Ltd, Kestrel Information Systems S.A.. Neurosoft, traded on Milan's AIM Italia market ([GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), has Integrae SIM as its Nominated Adviser.

"Management efforts to expand sales and further decrease costs in 2012 has shown a notable effect and the first results are visible on the Group's revenues, despite the continuous and unpredictable economic environment both in Greece as in Europe." **declared Nikolaos Vasilonikolidakis, Chief Executive Officer of Neurosoft.**

2012 Key Financial Results

Neurosoft's **consolidated revenues** for 2012 amounted to € 3,52 million compared to € 2,91 million in 2011. **Cost of sales for the group** in 2012 amounted to € 2,18 million compared to € 2,44 million for financial year 2011. Cost of sales decreased by 11% between the years 2011-2012. Neurosoft's payroll cost actually decreased by approximately 56% following its strategic business plan as approved by the General Meeting of June 2012.

Net loss in 2012 amounted to € (0,050) million compared to € (1,26) million of losses for financial year 2011.

EBITDA as of 31 December 2012 for the Group amounts to € 0,45 million compared to € (1,076) million as of 31 December 2011.

EBIT as of 31 December 2012 for the Group amounts to € 0,18 million compared to € (1,33) million as of 31 December 2011.

Net financial debt as of 31 December 2012 for the Group amounts to € 1, 00 million compared to € 0.93 million as of 31 December 2011.

Outlook

Neurosoft's business plan which has been followed from the beginning of the economic crisis both in Greece as in the global markets has proven to be efficient and promising. This resulted to positive EBITDA and EBIT for the first time during the economic crisis period. Thus the Board of Directors has decided, to proceed with steadily and strong steps forward expanding the company's and the Group's horizons into new geographical industries in specific sectors such as Middle East in Factoring.

In particular the outlook per business area is as follows:

1. Sports Betting

Loyalty of the customers and increased use of the products despite economic conditions in the markets of its customers the company managed to increase its revenues. In addition, the company introduced new products addressing the corporate and for the first time the retail market.

2. Factoring

Neurosoft having maintained its dominant position in the Greek market, continues to be aggressively engaged in international outreach activities aiming to establish itself as a regional player in eastern Europe and the Middle East.

3. Business intelligence

Although the economic crisis has postponed, annulled or reduced significantly planned projects, Neurosoft managed to increase its revenues in 2012.

4. Telecoms

Kestrel I.S. managed to sustain its business plan yielding a positive EBIT in the midst of the continuing slowdown both in the local but also in the economies of the neighboring countries.

Auditors' opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group and its subsidiaries as at December 31, 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Neurosoft S.A., a Greek company listed on the AIM Italia market, organised and managed by the Italian Stock Exchange ([ISIN GRS802003004](#), [Reuters NRST.MJ](#), [Bloomberg NRST:IM](#)), today is a software provider supplying solutions that optimize business and operational processes with a view to maximize customer profitability. Neurosoft's innovative integrated software systems in factoring, sports betting, business intelligence, liability management, transactional systems, and the implementation of mission critical applications have provided tools to financial institutions, stock exchanges, telecom companies and sports betting operators to increase operating efficiencies, act on well-depicted real-time risk and liability analysis, and increase revenues and bottom line capitalizing on sophisticated predictive analytics. Neurosoft was founded in 1994 and became the first company to be floated in the AIM Italia market of the Milan Stock Exchange in 2009. Based in Athens, Neurosoft has a multinational presence in Romania, Albania, Serbia, Bulgaria and Cyprus. As of today Integrae SIM S.p.A is Neurosoft's Nominated Adviser for the AIM Italia market.

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2012

	Note	Group	
		01.01-31.12.2012	01.01-31.12.2011
Revenues	4	3.522.069	2.913.854
Cost of services	8	(2.175.329)	(2.443.774)
Gross profit/ (loss)		1.346.740	470.080
Selling and distribution expenses	8	(314.704)	(400.690)
Administrative expenses	8	(908.421)	(1.439.742)
Other income		55.026	36.506
Financial income	7	2.501	3.453
Financial costs	7	(83.734)	(142.198)
Loss before income taxes		97.408	(1.472.592)
Income taxes	9	(147.062)	212.294
Net loss (A)		(49.654)	(1.260.299)
Other total comprehensive income after tax (B)		-	-
Total comprehensive losses after tax (A)+(B)		-	-
Loss attributable to:		(49.654)	(1.260.299)
Equity holders of the parent		(25.862)	(4.727.175)
Non-controlling interests		(23.792)	(49.730)
		(49.654)	(4.776.905)

The accompanying notes are an integral part of Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2012

	Note	Group	
		31.12.2012	31.12.2011
ASSETS			
Non-Current Assets			
Property, plant and equipment	11	151.454	197.506
Intangible assets	12	1.124.942	892.156
Investments in subsidiaries			
Investments in associates accounted under the equity method		37.000	37.000
Other non-current assets		35.198	37.349
Deferred tax asset	9	460.925	609.653
Total Non-Current Assets		1.809.519	1.773.665
Current Assets			
Inventories	13	359.407	372.670
Trade accounts receivable	14	1.224.996	1.762.191
Prepayments and other receivables	14	945.764	417.699
Receivables from intra Group Companies			
Financial assets at fair value through profit and loss		165	940
Cash and cash equivalents	15	158.532	264.284
Total Current Assets		2.688.864	2.817.785
TOTAL ASSETS		4.498.382	4.591.449
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent company			
Share capital		8.750.000	8.750.000
Share premium		600.000	600.000
Other reserves		163.331	163.331
Retained earnings		(7.861.197)	(7.835.335)
Total equity		1.652.134	1.677.996
Minority interests		183.528	207.320
Total equity		1.835.662	1.885.316
Non-Current Liabilities			
Long term finance lease obligations			1.652
Reserve for staff retirement indemnities	22	90.939	84.104
Deferred tax liability		-	-
Total Non-Current Liabilities		90.939	85.757
Current Liabilities			
Trade accounts payable	20	506.907	355.927
Short-term borrowings	19	1.155.626	1.182.098
Short-term portion of finance lease obligations		1.652	14.202
Income tax payable		54.336	86.644
Accrued and other current liabilities	21	853.260	981.505
Total Current Liabilities		2.571.781	2.620.376
Total Liabilities		2.662.720	2.706.133
TOTAL LIABILITIES AND EQUITY		4.498.382	4.591.449

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STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE YEAR ENDED DECEMBER 31, 2012

Group	Share	Share premium	Other	Retained	Total	Minority interest	Total
	Capital		reserves	earnings			
Balance at 1 January 2011	8.750.000	600.000	163.330	(6.645.352)	2.867.978	223.948	3.091.926
Transfer to reserves	-	-	1	(1)	-	-	-
Loss for the period	-	-	-	(1.243.670)	(1.243.670)	(16.628)	(1.260.299)
Absorption of subsidiary	-	-	-	(49.863)	(49.863)	-	(49.863)
Non consolidated subsidiaries	-	-	-	103.551	103.551	-	103.551
Balance at 31 December 2011	8.750.000	600.000	163.331	(7.835.335)	1.677.996	207.320	1.885.316
Balance at 1 January 2012	8.750.000	600.000	163.331	(7.835.335)	1.677.996	207.320	1.885.316
Transfer to reserves	-	-	0	-	-	-	-
Loss for the period	-	-	-	(25.682)	(25.682)	(23.972)	(49.654)
Absorption of subsidiary	-	-	-	-	-	-	-
Non consolidated subsidiaries	-	-	-	-	-	-	-
Balance at 31 December 2012	8.750.000	600.000	163.331	(7.861.018)	1.652.313	183.348	1.835.662

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CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

	Group	
	01.01- 31.12.2012	01.01- 31.12.2011
Cash flows from Operating Activities		
Loss before income taxes	97.408	(1.472.592)
Adjustments for:		
Depreciation and amortisation	275.981	256.988
Other Provisions	-	12.384
Financial (income)/expenses	74.733	138.745
Results of investments	(2.418)	-
Operating loss before working capital changes	445.705	(1.064.475)
(Increase)/Decrease in:		
Inventories	13.263	(21.528)
Trade accounts receivables	537.195	1.542.469
Prepayments and other receivables	(496.293)	376.083
Trade accounts payable	150.980	(686.529)
Accrued and other current liabilities	(128.245)	384.886
Interest paid	(83.283)	(112.450)
Tax paid	(30.514)	(31.753)
Payment for staff indemnity	(3.276)	(25.684)
Othe long term liabilities	2.151	5.877
Net cash from/(used in) Operating Activities	407.682	366.895
Cash flows from Investing Activities		
Capital expenditure for property, plant and equipment	(476.037)	(64.863)
Increase of participation in affiliated company	-	-
Interest and related income received	2.501	3.454
Financial assets at fair value through income statement	775	2.385
Net cash used in Investing Activities	(472.761)	(59.024)
Net Change in finance leases	(14.202)	(13.484)
Net change in short-term borrowings	(26.472)	(344.450)
Net cash from Financing Activities	(40.674)	(357.934)
Net increase (decrease) in cash and cash equivalents	(105.753)	(50.062)
Cash and cash equivalents at the beginning of period	264.284	314.347
Cash and cash equivalents at the end of the period	158.532	264.285

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