



**Board of Directors of Neurosoft S.A. approves
2017 Annual Financial Statements**

- Consolidated Revenues amounted to €9,76 million in 2017 (€8,74 million in 2016)
- Gross Profit in 2017 amounted to €1,73 million (€4,13 million in 2016)
- EBITDA in 2017 amounted to €0,61 million (€3,47million in 2016)
- EBIT in 2017 amounted to € (0,38) million (€2,92 million in 2016)
- Net Profit in 2017 amounted to €(0,78) million (€1,92 million in 2016)
- Net Financial Position in 2017 amounted to €1,85 million (€2,25 million in 2016)

Iraklio, Attica, April 19th 2018 - The Board of Directors of **Neurosoft S.A.**, a fully integrated ICT Company with Software Development, System Integration and Information Technology Security Capabilities, met today and approved Neurosoft's Consolidated Annual Audited Financial Statements (including the results for its subsidiaries, Neurosoft Cyprus Ltd, Neurosoft Romania Srl and Neurosoft Cyber and Analytics Ltd) for the year ended 31st December 2017. Neurosoft, traded on Milan's AIM Italia market ([GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), has Integrae SIM as its Nominated Adviser.

"2017 has been a very challenging year for us. During this year we achieved a 12% Revenue growth accompanied by operational improvements that strengthen our financial soundness. The continuous technological evolution and the new operational standards adopted by our current and prospect clients forced us to break from our "Business as Usual" comfort environment, think out of the box and design a strategy that will allow us to foster competitiveness. We carefully built an investment plan that will ensure a larger market penetration and an expansion of our footprint in new markets during the forthcoming years, without jeopardizing of course a positive EBITDA level for FY 2017." Stated Nikolaos Vasilonikolidakis, Chief Executive Officer of Neurosoft S.A

2017 Neurosoft Group Consolidated Performance

The FY 2017 ended with a remarkable 12% Revenue growth that safeguarded the Company market position.

During 2017, Neurosoft made the strategic business decision to significantly invest in research and development, premium infrastructure and sales & marketing activities.

Also the lower, however positive, EBITDA of this year, reflects the additional costs occurred in order to pursue growth strategy, mainly represented by an increase of the following cost categories: personnel costs, expenses related to sales and marketing activities (participation in conferences branding and rebranding), software amortization and third party fees to conduct surveys and obtain technological know-how as well as to adopt operational standards. Moreover, the manpower basis was enlarged by 57% (179 employees-2017).

The aim of these investments is to effectively serve future trade obligations, expand its activities, offer to its clientele niche IT services and develop innovative products.

During 2017, the Company maintained the robust cash and cash equivalents levels and managed to increase its Net Cash from Operating Activities to € 2.6M (€ 1.3M in 2016).

In addition, during the past year Neurosoft lowered the total debt levels from € 0.85 M (2016) to 0.75 M (2017) and successfully restructured the short term borrowing to long term.

The improved liquidity and the restructured debt levels ensure a healthy financial standing and solvency.

No dividends will be distributed for the year ended December 31, 2017.

Outlook per business segment

Each segment of the group represents a different business area of activity: (i) Fintech: Factoring and Supply Chain Finance, (ii) Gaming: Sports Betting & Gaming Analytics, (iii) Systems Engineering: ICT Infrastructure Products and (iv) Cyber Security: Managed ICT and Cyber Security Services.

(i) Factoring & Supply Chain Finance

Proxima+ & Tesla evolution: Being well established in the Greek Financial Market, our aim is to maintain and expand our position and therefore to keep up with the business trends and timely embed niche technologies. The rise of standards in Blockchain technology forced us to enter the area and to adopt these standards near the end of the 2017. Neurosoft forged an agreement with Oracle Blockchain Cloud to enter the Early Adopters program which meant backing of Oracle top Blockchain technologists. The intention is to fully integrate blockchain technology into Proxima+ platform within 2018. Our Supply Chain Finance solution was selected by Piraeus Bank and National Bank of Greece, the implementation started Q4 2017 and is expected to finish Q1 2018.

ii) Sports Betting & Gaming Analytics

BOLT & Trendz Product Development: Due to the technological migrations of OPAP, that took place during 2017, our efforts and manpower was mostly directed into the revamp of BOLT and its integration with the BGT on-line systems which is expected to go live in March 2018. Integrations with more core systems will follow.

iii) ICT Infrastructure Projects

Opap – Field Services: Neurosoft teams undertook the demanding VLT rollout project and successfully completed it. Client objectives were fulfilled while more than 10,000 VLTs were deployed and supported in 2017. The internal preparations (systems and processes) that started 2016Q4 resulted in high readiness standards and outstanding level of service. In parallel, an additional frame agreement covering field services (rollout and SLA) in the OPAP Shops was signed and executed with same success. Our aim is to capitalize on the experience gained and offer similar cost-effective services to other critical infrastructure projects (banking sector, post office etc).

iv) Managed ICT & Cyber Security Services

Angel - Cyber Maritime Managed Security Solution: The gradual and inevitable proliferation of the IoT (Internet of Things) even in the maritime industry, has contributed to the need for increased Cyber Security in that specific sector. Neurosoft has identified that growing need and formed an alliance with Navarino to introduce a maritime Security offering. Navarino is one of the world's leading providers of satellite communications solutions to the merchant marine market and is also the designer and distributor of Infinity, the world's most successful bandwidth optimisation solution. Neurosoft together with Navarino have engaged into the exploration and extensive testing of an end-to-end Cyber Security offering for vessels at sea, our "Angel". The service was launched in Q4 2017 in a dedicated event held at Stavros Niarchos Foundation Cultural Centre. The event attracted the interest of the shipping community setting the standard of the maritime cyber market. The first live demos were performed in Q4 that will lead to the first customers of the service.

Illicium – Deception Technology Product: Following the strategic decision in mid-2016 to capitalise on the extensive and focused know-how of the Security Assessment team and join forces with the Software Development team Illicium development was finalized in 2017 producing the first beta version. Illicium is a centrally managed platform with various agents aiming to enhance the defence process of any organisation by deploying multiple decoys throughout the ICT infrastructure. Friendly Beta customers are scheduled for 2018Q1 in parallel with the development of the sales and marketing plan.

Auditors' opinion

In the auditor's opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company "NEUROSOFT S.A" and its subsidiaries (the

Group) as of December 31, 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

It is specified that Neurosoft Separate and Consolidated Annual Financial Reports (including the results for its subsidiaries, Neurosoft Cyprus Ltd and Neurosoft Romania S.r.l.) of Neurosoft S.A. at 31st December 2017 will be available to the public in compliance with the terms and conditions required by the law, on the company's website www.neurosoft.gr.

Neurosoft S.A., a Greek company listed on the AIM Italia market , organized and managed by the Italian Stock Exchange ([ISIN GRS802003004](#), [Reuters NRST:MI](#), [Bloomberg NRST:IM](#)), was founded in 1994 as a local, in-house, software development company. Since then it has evolved into a fully integrated ICT company combining Software Development and System Integration and Information Technology Security capabilities. The Company is listed in AIM Milan since 2009. The staff headcount exceeds 180 highly skilled employees with in-depth experience in their field. The company is located in Athens and has subsidiaries/Rep Offices in Cyprus, UK and Dubai.

Neurosoft business activities include:

- Design, development and integration of innovative products and solutions for Sports Betting companies, Factoring & other Financial Institutions with fully customized Business Intelligence & Risk Management solutions.
- Design, implementation operation and support of large scale infrastructure solutions for Operators of Critical Networks and Critical National Infrastructures Stakeholders.
- Provision of Cyber security services (Security Assessments, Consulting and Managed Security Services).

The company is committed to client impact, continuous investments in R&D, innovation, adoption of advanced methodologies and well-known international standards (ISO and OWASP, etc.) and it is internationally oriented. It demonstrates a track record of successful local & international group (multi-country) installations & continuous technical support, always on time - on budget - on spec.

As of today Integrae SIM S.p.A is Neurosoft's Nominated Adviser for the AIM Italia market.

Neurosoft SA: ir@neurosoft.gr

Nominated Adviser Integrae Sim SpA: info@integraesim.it

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2017

| | Note | Group | | Company | |
|--|------|------------------|------------------|------------------|------------------|
| | | 01.01-31.12.2017 | 01.01-31.12.2016 | 01.01-31.12.2017 | 01.01-31.12.2016 |
| Revenues | 4 | 9.764.011 | 8.744.788 | 9.710.617 | 8.691.682 |
| Cost of services | 8 | (8.031.966) | (4.610.775) | (7.916.230) | (4.598.089) |
| Gross profit | | 1.732.045 | 4.134.013 | 1.794.387 | 4.093.593 |
| Selling and distribution expenses | 8 | (815.407) | (470.866) | (811.921) | (413.339) |
| Administrative expenses | 8 | (1.440.010) | (804.278) | (1.420.862) | (748.649) |
| Impairment of investments | | (37.000) | - | (37.000) | - |
| Other income | | 140.925 | 54.604 | 130.823 | 54.604 |
| Financial income | 7 | 484 | 1.853 | 484 | 1.853 |
| Financial costs | 7 | (59.204) | (54.808) | (56.326) | (53.368) |
| Profit / (Loss) before income taxes | | (478.167) | 2.860.518 | (400.414) | 2.934.694 |
| Income taxes | 9 | (298.387) | (936.017) | (298.387) | (936.017) |
| Net Profit / (Loss) (A) | | (776.555) | 1.924.501 | (698.802) | 1.998.677 |
| Net other comprehensive income not to be reclassified in profit or loss in subsequent period: | | | | | |
| Re-measurment profit or loss on benefits plans | | 221.418 | - | 221.418 | - |
| Income taxes | | (64.211) | - | (64.211) | - |
| Other total comprehensive income after tax (B) | | 157.207 | - | 157.207 | - |
| Total comprehensive income after tax (A)+(B) | | (619.348) | 1.924.501 | (541.595) | 1.998.677 |
| Profit / (Loss) attributable to: | | (619.348) | 1.924.501 | (541.595) | 1.998.677 |
| Equity holders of the parent | | (619.348) | 1.924.501 | (541.595) | 1.998.677 |
| Non-controlling interests | | - | - | - | - |
| | | (619.348) | 1.924.501 | (541.595) | 1.998.677 |
| Total weighted average number of ordinary shares | 24 | 25.584.594 | 25.584.594 | 25.584.594 | 25.584.594 |
| Adjusted weighted average number of ordinary shares for diluted (loss)/ income per share | 24 | 25.584.594 | 25.584.594 | 25.584.594 | 25.584.594 |
| Income / (Loss) per share (basic and diluted) | 24 | (0,0242) | 0,0752 | (0,0212) | 0,0781 |

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2017

| | Note | Group | | Company | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | | 31.12.2017 | 31.12.2016 | 31.12.2017 | 31.12.2016 |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| Property, plant and equipment | 11 | 494.852 | 524.658 | 494.852 | 524.658 |
| Intangible assets | 12 | 5.268.872 | 3.068.906 | 5.268.872 | 3.005.325 |
| Goodwill | | - | - | 51.852 | 51.852 |
| Investments in subsidiaries | 10 | - | 37.000 | 813.501 | 850.500 |
| Other non-current assets | | 114.666 | 94.956 | 114.666 | 94.956 |
| Total Non-Current Assets | | 5.878.391 | 3.725.520 | 6.743.743 | 4.527.291 |
| Current Assets | | | | | |
| Inventories | 13 | 559.020 | 548.924 | 559.020 | 548.924 |
| Trade accounts receivable | 14 | 3.410.329 | 3.927.532 | 3.366.579 | 3.897.132 |
| Prepayments and other receivables | 15 | 518.093 | 1.457.203 | 498.271 | 1.428.037 |
| Receivables from intra Group Companies | | - | - | 166.151 | 150.750 |
| Cash and cash equivalents | 16 | 2.495.105 | 3.108.874 | 2.454.582 | 3.108.465 |
| Total Current Assets | | 6.982.547 | 9.042.532 | 7.044.602 | 9.133.307 |
| TOTAL ASSETS | | 12.860.937 | 12.768.051 | 13.788.346 | 13.660.597 |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to equity holders of the parent company | | | | | |
| Share capital | 17 | 8.954.608 | 8.954.608 | 8.954.608 | 8.954.608 |
| Share premium | | 600.000 | 600.000 | 600.000 | 600.000 |
| Other reserves | 18 | 377.638 | 347.536 | 377.638 | 377.638 |
| Retained earnings | | (1.359.287) | (739.938) | (353.640) | 187.955 |
| Total equity | | 8.572.959 | 9.162.206 | 9.578.607 | 10.120.202 |
| Minority interests | | - | - | - | - |
| Total equity | | 8.572.959 | 9.162.206 | 9.578.607 | 10.120.202 |
| Non-Current Liabilities | | | | | |
| Long term loans | 20 | 755.878 | - | 755.878 | - |
| Reserve for staff retirement indemnities | 23 | 164.960 | 296.945 | 164.960 | 296.945 |
| Deferred tax liability | 9 | 1.325.616 | 965.218 | 1.325.616 | 965.218 |
| Total Non-Current Liabilities | | 2.246.454 | 1.262.163 | 2.246.454 | 1.262.163 |
| Current Liabilities | | | | | |
| Trade accounts payable | 21 | 1.076.175 | 750.284 | 1.064.647 | 708.701 |
| Short-term borrowings | 20 | - | 855.304 | - | 855.304 |
| Income tax payable | | 54.336 | 54.336 | 54.336 | 54.336 |
| Accrued and other current liabilities | 22 | 911.012 | 683.759 | 844.302 | 659.892 |
| Total Current Liabilities | | 2.041.523 | 2.343.683 | 1.963.285 | 2.278.233 |
| Total Liabilities | | 4.287.978 | 3.605.845 | 4.209.739 | 3.540.396 |
| TOTAL LIABILITIES AND EQUITY | | 12.860.937 | 12.768.051 | 13.788.346 | 13.660.597 |

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE YEAR ENDED DECEMBER 31, 2017

| Group | Share Capital | Share Premium | Reserves | Retained Earnings | Total | Non Controlling Interests | Total |
|---|------------------|----------------|----------------|--------------------|------------------|---------------------------|------------------|
| Total Equity as at 1 Jan 2016 | 8,954,608 | 600,000 | 196,067 | (2,512,970) | 7,237,705 | - | 7,237,705 |
| Total operating income after tax | - | - | 151,469 | 1,773,032 | 1,924,501 | - | 1,924,501 |
| Total Equity as at 31 Dec 2016 | 8,954,608 | 600,000 | 347,536 | (739,937) | 9,162,206 | - | 9,162,206 |
| Total Equity as at 1 Jan 2017 | 8,954,608 | 600,000 | 347,536 | (739,938) | 9,162,206 | - | 9,162,206 |
| Other | - | - | 30,102 | - | 30,102 | - | 30,102 |
| Other comprehensive income after income tax | - | - | - | 157,207 | 157,207 | - | 157,207 |
| Total operating income after tax | - | - | - | (776,555) | (776,555) | - | (776,555) |
| Total Equity as at 31 Dec 2017 | 8,954,608 | 600,000 | 377,638 | (1,359,286) | 8,572,960 | - | 8,572,959 |

| Company | Share Capital | Share Premium | Reserves | Retained Earnings | Total |
|--|------------------|----------------|----------------|--------------------|-------------------|
| Total Equity as at 1 Jan 2016 | 8,954,608 | 600,000 | 208,391 | (1,641,474) | 8,121,525 |
| Total operating income after tax | - | - | 169,247 | 1,829,430 | 1,998,677 |
| Total Equity as at 31 Dec 2016 | 8,954,608 | 600,000 | 377,638 | 187,956 | 10,120,202 |
| Total Equity as at 1 Jan 2017 | 8,954,608 | 600,000 | 377,638 | 187,956 | 10,120,202 |
| Other comprehensive income after income tax | - | - | - | 157,207 | 157,207 |
| Total operating income / (expense) after tax | - | - | - | (698,802) | (698,802) |
| Total Equity as at 31 Dec 2017 | 8,954,608 | 600,000 | 377,638 | (353,639) | 9,578,607 |

The accompanying notes are an integral part of the Financial Statements

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2017

| | Group | | Company | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 01.01- 31.12.2017 | 01.01- 31.12.2016 | 01.01- 31.12.2017 | 01.01- 31.12.2016 |
| Cash flows from Operating Activities | | | | |
| Profit / (Loss) before income taxes | (478.167) | 2.860.518 | (400.414) | 2.934.694 |
| Adjustments for: | | | | |
| Depreciation and amortisation | 995.777 | 559.409 | 922.094 | 501.236 |
| Other Provisions | 37.000 | 91.896 | 37.000 | 91.896 |
| Financial (income)/expenses | 42.587 | 52.955 | 55.842 | 51.515 |
| Operating profit before working capital changes | 597.196 | 3.564.778 | 614.522 | 3.579.341 |
| (Increase)/Decrease in: | | | | |
| Inventories | (10.096) | 808 | (10.096) | 808 |
| Trade accounts receivables | 656.607 | (1.027.975) | 618.422 | (1.027.329) |
| Prepayments and other receivables | 939.110 | (345.671) | 929.766 | (332.847) |
| Trade accounts payable | 325.892 | (911.408) | 355.947 | (931.408) |
| Accrued and other current liabilities | 227.253 | 121.975 | 184.410 | 124.894 |
| Interest paid | (59.204) | (54.808) | (56.326) | (53.368) |
| Tax paid | (2.200) | (7.725) | (2.200) | (7.725) |
| Payment for staff indemnity | (35.414) | (7.815) | (35.414) | (7.815) |
| Other long term liabilities | (19.711) | (6.671) | (19.711) | (6.671) |
| Net cash from Operating Activities | 2.619.434 | 1.325.487 | 2.579.320 | 1.337.879 |
| Cash flows from Investing Activities | | | | |
| Capital expenditure for tangible and intangible assets | (3.134.260) | (2.046.012) | (3.134.260) | (2.046.012) |
| Interest and related income received | 484 | 1.853 | 484 | 1.853 |
| Net cash used in Investing Activities | (3.133.776) | (2.044.159) | (3.133.776) | (2.044.159) |
| Cash flow from financing activities | | | | |
| Net change in long-term borrowings | 755.878 | - | 755.878 | - |
| Net change in short-term borrowings | (855.304) | (132.664) | (855.304) | (132.664) |
| Net cash from Financing Activities | (99.427) | (132.664) | (99.427) | (132.664) |
| Net increase (decrease) in cash and cash equivalents | (613.769) | (851.336) | (653.883) | (838.944) |
| Cash and cash equivalents at the beginning of the year | 3.108.874 | 3.960.210 | 3.108.465 | 3.947.409 |
| Cash and cash equivalents at the end of the year | 2.495.105 | 3.108.876 | 2.454.582 | 3.108.467 |

The accompanying notes are an integral part of the Financial Statements