



**Board of Directors of Neurosoft S.A. approves  
2018 Annual Financial Statements**

- Consolidated Revenues amounted to € 13,78 million in 2018 (€9,76 million in 2017)
- Gross Profit in 2018 amounted to € 2,41million (€1,73 million in 2017)
- EBITDA in 2018 amounted to € 0,81 million (€0,61 million in 2017)
- EBIT in 2018 amounted to € (0,62) million (€ (0,38) million in 2017)
- Net Profit in 2018 amounted to € (0,31) million (€ (0,78) million in 2017)
- Net Financial Position in 2018 amounted to € 2,22 million (€1,85 million in 2017)

**Iraklio, Attica, April 4<sup>th</sup>, 2019** - 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 December 31<sup>st</sup>, 2018. Neurosoft, traded on Milan's AIM Italia market ([GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), has **Banca Intermobiliare SpA** as its Nominated Adviser.

*"Neurosoft's strategy is to drive profitable growth by creating best customer experiences based on innovation, new products, persistence in our goals and operational excellence. A key priority for 2018 has been to penetrate in niche markets and reinforce the market position of the company. As a result, the company has shown a remarkable growth 41% in revenues. Important drivers behind this positive result is our strong commitment to our previous strategic decisions to invest in R & D, premium infrastructure, sales & marketing activities as well as to continue with our consistent cost cutting plan. Nonetheless all the above wouldn't have been achieved without the significant contribution and devotion of every employee of this company."* **Stated Epameinondas Paschalidis, Chief Executive Officer of Neurosoft S.A**

**2018 Neurosoft Group Consolidated Performance**

The FY 2018 ended with consolidated revenues equal to € 13,78 million with an outstanding 41% Revenue growth continuing last year's upturn with 12% Revenue growth establishing the Company's market position with even stronger foundations. This significant growth is a result of previous years' company's policy to further invest in research and development to expand sales & marketing activities and in this way to make a robust presence in its areas of interest. This substantial growth rate has also been followed accordingly by the EBITDA with 31% growth, equal to € 0,81 million. In 2018 the company's manpower reached the number of 204 employees reinforcing in this way its resources. On the other hand, the company adopted a technology plan enhancing the partnership with ORACLE with innovative Blockchain development becoming ORACLE's strategic Blockchain partner in Greece and Cyprus. The company also proceeded to a dynamic exposure adopting a robust marketing plan with various promotional activities. All the above had a very positive impact and gave a boost to the company to penetrate in niche markets in IOT and Block chain sectors. As a spin off result of that the company has operational exposure in Cyprus and Dubai.

In addition, during the fall of 2018 the management of the Company took a strategic decision to withdraw from the international gaming market maintaining though its resources to continue supporting with customized solutions its major shareholder (OPAP SA, through its subsidiaries, *OPAP Investment Ltd*, *OPAP International & OPAP Cyprus*), while it reinforced its position and focused in the financial (factoring, block chain) and cyber security sectors. This newly implemented approach has been well received and has already began to be fruitful.

No dividends will be distributed for the year ended December 31, 2018.

### **General Outlook of products & Solution Development**

#### **1. Product & Solution Development:**

1.1 Proxima+ platform evolution: million a year of on-going product development in line with augmenting the breadth of Neurosoft product offering such as Pre-shipment financing and Term Loans, in particular, open account TR and Settlement and Open account advance TR. At the same time, Neurosoft sets up the design for its self-onboarding module as well as the algorithm testing and selection of our machine learning module with respect to Risk and Fraud.

1.2 Blockchain: Starting in 2017 as early adopters of the Oracle Autonomous Blockchain Cloud Platform, in August 2018, Neurosoft saw the launch of the OABCS platform which allowed the Company to move to full development of our first application in the receivables space, tackling the issue of peer-to-peer invoice reconciliation. It is planned to go live in Q1 2019 with the on-boarding of the first buyers and suppliers. This is the first step in a series of blockchain services to be offered which eventually will link up with our Proxima+ platform.

1.3. BOLT and related development: The new version of BOLT was implemented, delivered and deployed at OPAP, with extensive connectivity to OPAP's new technology framework (Core Gaming engines). At the same time a middleware aggregator was developed as a hub to collect and distribute gaming results to multiple end points.

1.4 Angel - Cyber Maritime Managed Security Solution: Following the successful launch in Q4 2017 and a series of live demos in Q1 2018 the first customers were on-boarded in mid-2018. The market response was very positive leading to a commercial success according to the initial forecast. New features and functionalities are expected to be presented in mid-2019.

1.5 Illicium – Deception Technology Product: The initial development plan was on schedule. Friendly Beta customers were introduced with a small delay in 2018 Q2 providing significant feedback on the product functionality and performance. The product went live to friendly customers in the last quarter of the year. In 2019 Illicium will be fully marketed in Greece and Cyprus directly and Internationally through a channel partner approach. Cloud marketplaces will be also evaluated.

## 2. Business Development:

2.1 Fintech: Neurosoft is dominant in the domestic market with its Factoring & Supply Chain Finance platform Proxima+. The target for 2018 was to capitalize on the successful UAE business case for GCC and European markets. Sales and Business Development capacity was increased resulting to a very active year. The company participated to a number (record year) of local and international RFPs and PoCs building up a solid pipeline.

2.2 Cyber Security: Established presence in Greece & Cyprus. The focus in 2018 was to enter new high spending security verticals (i.e. Financial Services) while on the offering side to expand in Operational Technology cyber security market (Oil & Gas, Utilities, Transportation). In parallel, preparations were made in 2018 Q4 for geographical expansion, mainly in UAE and CEE. In-house development cyber security products, such as Illicium, can act as up-selling drivers for the services portfolio.

2.3 Systems Engineering: A very active year on the servicing side being a significant contributor to OPAP's OS&GH support and technology transformation in parallel to the traditional Service Provider customer base. On the project side, the focus was in niche verticals, starting with aviation, for home and SEE markets.

2.4 Barclays Bank Account: During 2018, the legal process has started and is envisaged to be completed, in the worst-case scenario, in Q2 2019, with a three-month delay than the initial time plan.

## 3. Quality Assurance:

In view of Services and Operations standardisation, Neurosoft is certified under ISO9001, ISO27001 & OHSAS18001 international standards for Quality, Information Security Management and Safety. Due to the heavy workload during the whole year, ISO20000 was postponed for 2019.

## **Auditor's opinion**

In our 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, 2018, 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. on December 31<sup>st</sup>, 2018 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](http://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 with the vision to provide superior products, innovative solutions and exclusive services to its international clients. Neurosoft is a fully integrated ICT company with Software Development, System Integration and Information Security capabilities. The staff headcount exceeds 200+ highly skilled employees with deep experience in their field. The company is based in Athens with presence in Cyprus, UAE and UK.

Business areas covered by Neurosoft:

- **Fintech:** Design and development of a unique ecosystem for Sales & Supply Chain Finance Operators with fully customized Business Intelligence & Risk Management modules using topnotch technologies such as BlockChain and IoT. In an ever-changing financial landscape where the need for liquidity is overwhelming, our almost 20-year experience in the field is transformed into valuable solutions that meet your day-to-day financing demands
- **Cyber Security:** Provision of high-end Cyber Security solutions and services and development of innovative security products. In a world of viruses, malwares, and hacktivists, Neurosoft has compiled a suite of practical and technologically advanced tools and methods to significantly enhance the protection of your mission-critical data
- **System Engineering:** Design, implementation, operation and support of large-scale ICT infrastructure solutions for Operators of Critical Networks and Critical National Infrastructure Stakeholders. Our vast experience in complex projects makes Neurosoft the ideal partner for any ICT infrastructure requirement

The company is committed to client impact, continuous investments in R&D, innovation, adoption of advanced methodologies and well-known international standards (ISO9001 & 27001, OHSAS18001, OWASP). It demonstrates a track record of successful local & international group (multi-country) installations & continuous technical support, always on time – on budget – on spec.

In 2019, Neurosoft was nominated ORACLE – Partner of the Year Innovation for CEE.

As of today, Banca Intermobiliare SpA is Neurosoft’s Nominated Adviser for the AIM Italia market.

*Press release available on [www.neurosoft.gr](http://www.neurosoft.gr)*

For further information please contact:

**INVESTOR RELATIONS**

**Neurosoft S.A.** | [ir@neurosoft.gr](mailto:ir@neurosoft.gr) | T: +30 2106855061

**NOMAD**

**Banca Intermobiliare di Investimenti e Gestioni S.p.A.** | [corporatefinance@bancaintermobiliare.com](mailto:corporatefinance@bancaintermobiliare.com)

T:+39 0299968111

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	Group		Company	
		01.01- 31.12.2018	01.01- 31.12.2017	01.01- 31.12.2018	01.01- 31.12.2017
Revenues	4	13.781.983	9.764.011	13.648.283	9.710.617
Cost of services	8	(11.369.589)	(8.031.966)	(11.325.316)	(7.916.230)
<b>Gross profit</b>		<b>2.412.394</b>	<b>1.732.045</b>	<b>2.322.967</b>	<b>1.794.387</b>
Selling and distribution expenses	8	(1.204.015)	(815.407)	(1.161.571)	(811.921)
Administrative expenses	8	(2.054.264)	(1.440.010)	(2.032.749)	(1.420.862)
Impairment of investments		-	(37.000)	-	(37.000)
Impairment of intangible assets		(40.534)	-	(92.386)	-
Other income		270.144	140.925	258.626	130.823
Financial income	7	2.859	484	2.859	484
Financial costs	7	(54.221)	(59.204)	(49.364)	(56.326)
<b>Loss before income taxes</b>		<b>(667.637)</b>	<b>(478.167)</b>	<b>(751.618)</b>	<b>(400.414)</b>
Income taxes	9	357.416	(298.387)	357.416	(298.387)
<b>Net Loss (A)</b>		<b>(310.221)</b>	<b>(776.555)</b>	<b>(394.201)</b>	<b>(698.802)</b>
<b>Net other comprehensive income not to be reclassified in profit or loss in subsequent period:</b>					
Re-measurment profit or loss on benefits plans		5.034	221.418	5.034	221.418
Income taxes		(1.258)	(64.211)	(1.258)	(64.211)
<b>Other total comprehensive income after tax (B)</b>		<b>3.775</b>	<b>157.207</b>	<b>3.775</b>	<b>157.207</b>
<b>Total comprehensive income after tax (A)+(B)</b>		<b>(306.446)</b>	<b>(619.348)</b>	<b>(390.426)</b>	<b>(541.595)</b>
<b>Profit / (Loss) attributable to:</b>		<b>(306.446)</b>	<b>(619.348)</b>	<b>(390.426)</b>	<b>(541.595)</b>
Equity holders of the parent		(324.068)	(619.348)	(390.426)	(541.595)
Non-controlling interests		17.623	-	-	-
		<b>(306.446)</b>	<b>(619.348)</b>	<b>(390.426)</b>	<b>(541.595)</b>
		-	-	-	-
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
<b>Income / (Loss) per share (basic and diluted)</b>	24	<b>(0,0127)</b>	<b>(0,0242)</b>	<b>(0,0153)</b>	<b>(0,0212)</b>

The accompanying notes are an integral part of the Financial Statements

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2018

	Note	Group		Company	
		31.12.2018	31.12.2017	31.12.2018	31.12.2017
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	11	493.509	494.852	493.509	494.852
Intangible assets	12	4.703.920	5.268.872	4.703.920	5.268.872
Goodwill		-	-	-	51.852
Investments in subsidiaries	10	-	-	813.501	813.501
Other non-current assets		98.911	114.666	98.911	114.666
<b>Total Non-Current Assets</b>		<b>5.296.340</b>	<b>5.878.391</b>	<b>6.109.841</b>	<b>6.743.743</b>
<b>Current Assets</b>					
Inventories	13	807.595	559.020	807.595	559.020
Trade accounts receivable	14	3.938.547	3.410.329	3.905.296	3.366.579
Prepayments and other receivables	15	443.676	518.093	378.700	498.271
Receivables from intra Group Companies		-	-	215.673	166.151
Cash and cash equivalents	16	2.784.254	2.495.105	2.768.679	2.454.582
<b>Total Current Assets</b>		<b>7.974.071</b>	<b>6.982.547</b>	<b>8.075.943</b>	<b>7.044.602</b>
<b>TOTAL ASSETS</b>		<b>13.270.411</b>	<b>12.860.937</b>	<b>14.185.784</b>	<b>13.788.346</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the parent company</b>					
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	377.638	377.638	377.638
Retained earnings		(1.683.355)	(1.359.287)	(744.066)	(353.639)
<b>Total equity</b>		<b>8.248.890</b>	<b>8.572.959</b>	<b>9.188.181</b>	<b>9.578.607</b>
Minority interests		17.623	-	-	-
<b>Total equity</b>		<b>8.266.513</b>	<b>8.572.959</b>	<b>9.188.181</b>	<b>9.578.607</b>
<b>Non-Current Liabilities</b>					
Long term loans		664.256	755.878	664.256	755.878
Reserve for staff retirement indemnities	23	205.526	164.960	205.526	164.960
Deferred tax liability	9	969.458	1.325.616	969.458	1.325.616
<b>Total Non-Current Liabilities</b>		<b>1.839.241</b>	<b>2.246.455</b>	<b>1.839.241</b>	<b>2.246.454</b>
<b>Current Liabilities</b>					
Trade accounts payable	21	1.618.647	1.076.175	1.629.948	1.064.647
Short-term borrowings	20	180.000	-	180.000	-
Income tax payable		54.336	54.336	54.336	54.336
Accrued and other current liabilities	22	1.311.674	911.012	1.294.079	844.302
<b>Total Current Liabilities</b>		<b>3.164.657</b>	<b>2.041.523</b>	<b>3.158.362</b>	<b>1.963.285</b>
<b>Total Liabilities</b>		<b>5.003.898</b>	<b>4.287.978</b>	<b>4.997.603</b>	<b>4.209.739</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>13.270.411</b>	<b>12.860.937</b>	<b>14.185.784</b>	<b>13.788.346</b>

The accompanying notes are an integral part of the Financial Statements

## STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE YEAR ENDED DECEMBER 31, 2018

Group	Share Capital	Share Premium	Reserves	Retained Earnings	Total	Non Controlling Interests	Total
Total Equity as at 1 Jan 2017	8.954.608	600.000	347.536	(739.938)	9.162.206	-	9.162.206
Other comprehensive income - IAS 19	-	-	-	157.207	157.207	-	157.207
Other	-	-	30.102	-	30.102	-	30.102
Total operating income after tax	-	-	-	(776.555)	(776.555)	-	(776.555)
<b>Total Equity as at 31 Dec 2017</b>	<b>8.954.608</b>	<b>600.000</b>	<b>377.638</b>	<b>(1.359.286)</b>	<b>8.572.960</b>	<b>-</b>	<b>8.572.960</b>
Total Equity as at 1 Jan 2018	8.954.608	600.000	377.638	(1.359.286)	8.572.960	-	8.572.960
Other comprehensive income - IAS 19	-	-	-	5.034	5.034	-	5.034
Total operating income after tax	-	-	-	(329.102)	(329.102)	17.623	(311.479)
<b>Total Equity as at 31 Dec 2018</b>	<b>8.954.608</b>	<b>600.000</b>	<b>377.638</b>	<b>(1.683.354)</b>	<b>8.248.892</b>	<b>17.623</b>	<b>8.266.513</b>

Company	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Total Equity as at 1 Jan 2017	8.954.608	600.000	377.638	187.956	10.120.202
Other comprehensive income - IAS 19	-	-	-	157.207	157.207
Total operating income after tax	-	-	-	(698.802)	(698.802)
<b>Total Equity as at 31 Dec 2017</b>	<b>8.954.608</b>	<b>600.000</b>	<b>377.638</b>	<b>(353.639)</b>	<b>9.578.607</b>
Total Equity as at 1 Jan 2018	8.954.608	600.000	377.638	(353.639)	9.578.607
Other comprehensive income - IAS 19	-	-	-	3.775	3.775
Total operating income / (expense) after tax	-	-	-	(394.201)	(394.201)
<b>Total Equity as at 31 Dec 2018</b>	<b>8.954.608</b>	<b>600.000</b>	<b>377.638</b>	<b>(744.065)</b>	<b>9.188.181</b>

The accompanying notes are an integral part of the Financial Statements



## CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018

	Group		Company	
	01.01- 31.12.2018	01.01- 31.12.2017	01.01- 31.12.2018	01.01- 31.12.2017
<b>Cash flows from Operating Activities</b>				
Loss before income taxes	(667.637)	(478.167)	(751.618)	(400.414)
Adjustments for:				
Depreciation and amortisation	1.421.711	995.777	1.421.711	922.094
Other Provisions	43.291	37.000	43.291	37.000
Financial (income)/expenses	51.362	42.587	46.505	55.842
<b>Operating profit before working capital changes</b>	<b>848.726</b>	<b>597.196</b>	<b>759.889</b>	<b>614.522</b>
<b>(Increase)/Decrease in:</b>				
Inventories	(248.575)	(10.096)	(248.575)	(10.096)
Trade accounts receivables	(528.217)	656.607	(538.716)	618.422
Prepayments and other receivables	74.417	939.110	70.048	929.766
Trade accounts payable	542.472	325.892	565.300	355.947
Accrued and other current liabilities	400.662	227.253	449.777	184.410
Interest paid	(54.221)	(59.204)	(49.364)	(56.326)
Tax paid	(2.200)	(2.200)	(2.200)	(2.200)
Payment for staff indemnity	(5.133)	(35.414)	(5.133)	(35.414)
Other long term liabilities	15.755	(19.711)	15.755	(19.711)
<b>Net cash from Operating Activities</b>	<b>1.043.685</b>	<b>2.619.434</b>	<b>1.016.780</b>	<b>2.579.320</b>
<b>Cash flows from Investing Activities</b>				
Capital expenditure for tangible and intangible assets	(855.415)	(3.134.260)	(855.415)	(3.134.260)
Interest and related income received	2.859	484	2.859	484
<b>Net cash used in Investing Activities</b>	<b>(852.556)</b>	<b>(3.133.776)</b>	<b>(852.556)</b>	<b>(3.133.776)</b>
<b>Cash flow from financing activities</b>				
Net change in long-term borrowings	(91.622)	755.878	(91.622)	755.878
Net change in short-term borrowings	180.000	(855.304)	180.000	(855.304)
<b>Net cash from Financing Activities</b>	<b>88.378</b>	<b>(99.427)</b>	<b>88.378</b>	<b>(99.427)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>279.508</b>	<b>(613.769)</b>	<b>252.602</b>	<b>(653.883)</b>
Cash and cash equivalents at the beginning of the year	2.495.105	3.108.874	2.454.582	3.108.465
Cash and cash equivalents at the end of the year	<u>2.774.612</u>	<u>2.495.105</u>	<u>2.707.184</u>	<u>2.454.582</u>

The accompanying notes are an integral part of the Financial Statements