



BoD of Neurosoft S.A. approves 2017 1st Semester Results

Approval of 2017 1st Semester Results

- Consolidated revenues in the first half of 2017 € 4.88 million (€4.87 million in mid-year 2016)
- Gross profit € 1.55 million (€ 1.9 million in mid-year 2016)
- EBITDA € 1.14 million (€ 1.5 million in mid-year 2016)
- Profit before income taxes € 0.63 million (€ 1.18 million in mid-year 2016)
- Net Profit €0.33 million (€0.75 million in mid-year 2016)
- Net Financial Position is equal to € 1,15 million

Iraklio Attikis, 21 September 2017 - The Board of Directors of **Neurosoft S.A.** met today and approved the first half year results ended 30th June 2017, including the results for its subsidiaries Neurosoft Cyprus Ltd., Neurosoft Romania Srl. Neurosoft Cyber and Analytics Ltd., Neurosoft, traded on Milan's AIM Italia market ([GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), has Integrae SIM SpA as its Nominated Adviser.

Commenting on the Group's half year results, Neurosoft CEO **Nick Vasilonikolidakis** said: "The level of revenues remained the same. There was not a significant growth in the income of the group if compared to the first half of 2016 but some of Neurosoft's business units have reached especially good results. That is for example for the ICT segment which following last year's results has continued its positive performance. On the other hand all business segments have shown stability with a dynamic future growth especially in Factoring and Sales Finance. In addition to the above and in order to maintain the level of revenues we have advanced our strategic objectives with a number of positive developments and initiatives".

Neurosoft's consolidated half year revenues were € 4.88 million, in line with the performance of the 1H 2016 (up to € 4,87 million).

The Group's EBITDA for the first half of 2017 was €1.14 million, compared to € 1.5 of the previous 1H 2016. Neurosoft's Net Profit was up to € 0.33 million (€0.75 million in mid-year 2016). This reduction was mainly due to increased cost of services in order to effectively support new projects.

Performance by Business Unit

In particular, in the first semester of 2017, Neurosoft accomplished the following per Business Unit:

Neurosoft Sports Betting Unit

- enhancements in the operation of BOOM, the sports betting service that is based on the principle that the player gets better prices (odds) as more events to the wager are added (BOOM odds). The enhancements regarded:
 - automated updates/blocking/unblocking of sportsbook and pricing
 - statistical and risk management reporting and other tools for the trading team
- creation of statistics web application which renders statistics on various levels and detail (e.g. league, team, player, history, head-to-head etc), It can be used as a stand alone web application but can also provide information related to a BOOM service related tasks,
- continuation of developments of Trendz suite's components and uniform integration:
 - Alkemi2, a sportsbook web application supporting multiple sports and markets
 - Trendz, the core transaction engine of the suite
 - PAccMan, a Player Account Management system that interacts with Trendz and user interface, with ability to integrate with any payment gateway. Initially integrated with the APCO transaction engine.
 - Punter UI, a web application for end users allowing the approval and submission of bets through Trendz, including BOOM odds selection
 - Bettracker, an ad-hoc betting activity monitoring tool
 - Bolt, a real time risk management tool, that assumes responsibility for automatic approval/rejection of bets through configurable rules/thresholds.

Factoring Unit

- starting to set up a SaaS service for the UAE region, at local UAE Data centers
- set up a sales mechanism in UAE and performed an initial road show in the region
- implemented a cheque management system within Proxima and Tesla which was deployed in Pireaus Bank through WinBank
- finished tesla Radius, a complete Supply Chain Finance and Reverse Factoring platform. The company is in final discussions with various Banks in Greece and abroad

Information and Communications Technology Projects

- was assigned by SNFCC SA – ICT Infrastructure Operations for SNFCC and additional expansions
- was assigned by local Mobile Operator – Access & Transmission equipment Preventive Support
- was assigned by local Mobile Operator - Procurement of Juniper Networks Equipment Expansion for backbone network
- was assigned by International Telecom Manufacturer –Support for transport, multi-wavelength infrastructure for end-customer OTEGLOBE.

- was assigned by International Telecom Manufacturer – ICT Architectural Design for local railway project – Project Finalized
- was assigned by Local Fixed Operator - Procurement of Juniper Networks Equipment Expansion for backbone network
- was assigned by International Telecom Manufacturer- support and maintenance renewal
- was assigned by Major Gaming Operator – Information security services renewal for 3 years
- was assigned by Major Gaming Operator - Field Services frame agreement

Managed ICT and Cyber Security Services

- was assigned by Medical IT Services Provider - Penetration Testing and Security Assessment Services.
- Was assigned by Mobile Operator – Security Assessment activities – Frame Agreement
- was assigned by Local Legal Firm – Outsourcing of ICT and Cyber Security Operations
- finalized beta testing of Cyber Maritime threat monitoring & intelligence – Commercial launch in October
- ongoing BETA testing of innovative product in the area of information security deception. Commercial release expected in Q4

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 130 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.

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INTERIM STATEMENT OF COMPREHENSIVE INCOME (JUNE 30, 2017)

	Note	Group		Company	
		01.01- 30.06.2017	01.01- 30.06.2016	01.01- 30.06.2017	01.01- 30.06.2016
Revenues	4	4.880.381	4.877.902	4.855.287	4.840.716
Cost of services	6	(3.323.447)	(2.960.131)	(3.318.412)	(2.948.481)
Gross profit		1.556.934	1.917.771	1.536.875	1.892.235
Selling and distribution expenses	6	(368.080)	(291.919)	(339.317)	(263.155)
Administrative expenses	6	(617.897)	(466.436)	(612.136)	(466.436)
Other income		86.643	54.189	86.643	54.189
Financial income	5	344	1.535	344	1.535
Financial costs	5	(27.110)	(34.495)	(25.946)	(34.095)
Profit before income taxes		630.834	1.180.644	646.463	1.184.271
Income taxes	7	(302.304)	(429.794)	(302.304)	(429.794)
Net Profit (A)		328.529	750.850	344.159	754.478
Other total comprehensive income after tax (B)		-	-	-	-
Total comprehensive income after tax (A)+(B)		-	-	-	-
Profit attributable to:		328.529	750.850	344.159	754.478
Equity holders of the parent		328.529	750.850	344.159	754.478
Non-controlling interests		-	-	-	-
		328.529	750.850	344.159	754.478
		-	-	-	-
Total weighted average number of ordinary shares		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		25.584.594	25.584.594	25.584.594	25.584.594
Income per share (basic and diluted)		0,0128	0,0293	0,0135	0,0295

The accompanying notes are an integral part of the Interim Financial Statements

INTERIM STATEMENT OF FINANCIAL POSITION (JUNE 30, 2017)

	Note	30.06.2017	31.12.2016	30.06.2017	31.12.2016
ASSETS					
Non-Current Assets					
Property, plant and equipment	9	538.130	524.658	538.130	524.658
Intangible assets	10	4.215.398	3.068.906	4.180.581	3.005.325
Goodwill		-	-	51.852	51.852
Investments in subsidiaries	8	37.001	37.000	850.501	850.500
Other non-current assets		112.590	94.956	112.590	94.956
Total Non-Current Assets		4.903.119	3.725.520	5.733.654	4.527.291
Current Assets					
Inventories		646.582	548.924	646.582	548.924
Trade accounts receivable	11	2.385.371	3.927.532	2.354.971	3.897.132
Prepayments and other receivables	11	1.791.476	1.457.203	1.755.289	1.428.037
Receivables from intra Group Companies		-	-	150.750	150.750
Cash and cash equivalents	12	3.118.820	3.108.874	3.114.157	3.108.465
Total Current Assets		7.942.248	9.042.532	8.021.748	9.133.307
TOTAL ASSETS		12.845.368	12.768.051	13.755.402	13.660.597
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent company					
Share capital	13	8.954.608	8.954.608	8.954.608	8.954.608
Share premium		600.000	600.000	600.000	600.000
Other reserves		366.056	347.536	396.158	377.638
Retained earnings		(429.928)	(739.938)	513.595	187.955
Total equity		9.490.735	9.162.206	10.464.360	10.120.202
Minority interests		-	-	-	-
Total equity		9.490.735	9.162.206	10.464.360	10.120.202
Non-Current Liabilities					
Reserve for staff retirement indemnities		309.863	296.945	309.863	296.945
Deferred tax liability		1.080.048	965.218	1.080.048	965.218
Total Non-Current Liabilities		1.389.911	1.262.163	1.389.911	1.262.163
Current Liabilities					
Trade accounts payable	14	490.183	750.284	478.664	708.701
Short-term borrowings		808.993	855.304	808.993	855.304
Income tax payable		244.010	54.336	244.010	54.336
Accrued and other current liabilities	15	421.535	683.759	369.463	659.892
Total Current Liabilities		1.964.721	2.343.683	1.901.130	2.278.233
Total Liabilities		3.354.632	3.605.845	3.291.041	3.540.396
TOTAL LIABILITIES AND EQUITY		12.845.368	12.768.051	13.755.402	13.660.597

The accompanying notes are an integral part of the Interim Financial Statements

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

Group	Share Capital	Share Premium	Reserves	Retained Earnings	Total	Non Controlling Interests	Total
Total Equity as at January 1, 2016	8.954.608	600.000	196.067	(2.512.971)	7.237.705	-	7.237.705
Total operating income after tax	-	-	-	750.850	750.850	-	750.850
Total Equity as at June 30, 2016	8.954.608	600.000	196.067	(1.762.121)	7.988.555	-	7.988.555
Total Equity as at January 1, 2017	8.954.608	600.000	196.067	(588.469)	9.162.206	-	9.162.206
Total operating income after tax	-	-	-	328.529	328.529	-	328.529
Total Equity as at June 30, 2017	8.954.608	600.000	196.067	(259.940)	9.490.735	-	9.490.735

Company	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Total Equity as at January 1, 2016	8.954.608	600.000	208.391	(1.641.474)	8.121.525
Total operating income after tax	-	-	-	754.478	754.478
Total Equity as at June 30, 2016	8.954.608	600.000	208.391	(886.996)	8.876.003
Total Equity as at 1 Jan 2017	8.954.608	600.000	377.638	187.955	10.120.202
Total operating income after tax	-	-	24.169	319.990	344.159
Total Equity as at 30 Jun 2017	8.954.608	600.000	401.808	507.945	10.464.360
The accompanying notes are an integral part of the Interim Financial Statements					

INTERIM CASH FLOW STATEMENT

	Group		Company	
	01.01- 30.06.2017	01.01- 30.06.2016	01.01- 30.06.2017	01.01- 30.06.2016
Cash flows from Operating Activities				
Profit before income taxes	630.834	1.180.644	646.463	1.184.271
Adjustments for:				
Depreciation and amortisation	485.457	229.864	456.694	229.864
Provisions	12.918	9.823	12.918	9.823
Decrease/(increase) in financial assets	26.766	32.960	25.602	32.560
Operating loss before working capital changes	1.155.975	1.453.291	1.141.677	1.456.519
(Increase)/Decrease in:				
Inventories	(97.658)	(60.964)	(97.658)	(60.964)
Trade accounts receivable	1.580.924	(159.966)	1.580.924	(199.225)
Prepayments and other receivables	(334.273)	268.036	(327.252)	269.026
Trade accounts payable	(260.101)	(720.818)	(230.037)	(710.754)
Accrued and other current liabilities	(262.224)	(226.653)	(290.429)	(210.868)
Interest paid	(27.110)	(34.495)	(25.946)	(34.095)
Tax paid	(2.200)	-	(2.200)	-
Payment for staff indemnity	-	(5.248)	-	5.248
Other long term liabilities	(17.634)	(70)	(17.634)	(70)
Net cash from Operating Activities	1.735.699	513.112	1.731.445	514.815
Cash flows from Investing Activities				
Capital expenditure for property, plant and equipment	(1.679.785)	(505.096)	(1.679.785)	(505.096)
Interest and related income received	344	1.535	344	1.535
Net cash used in Investing Activities	(1.679.441)	(503.561)	(1.679.441)	(503.561)
Cash flow from financing activities				
Net change in short-term borrowings	(46.311)	(86.529)	(46.311)	(86.529)
Net cash from Financing Activities	(46.311)	(86.529)	(46.311)	(86.529)
Net increase (decrease) in cash and cash equivalents	9.947	(76.978)	5.693	(75.275)
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	3.118.820	3.883.232	3.114.157	3.872.134

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