UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019 (JANUARY 1 – JUNE 30, 2019) OF NEUROSOFT SOFTWARE PRODUCTION S.A. AND ITS SUBSIDIARIES

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (AS ENDORSED BY THE EUROPEAN UNION)

INDEX TO THE FINANCIAL STATEMENTS

BOARD OF DIRECTORS' REPORT ON THE SEMI-ANNUAL FINANCIAL STATEMENTS of «Neurosoft S.A. »

Regarding the interim condensed consolidated Financial Statements
For the six-month period ended June 30, 2019

This Semi - Annual Board of Directors' Report, which follows, (hereinafter referred for brevity as the **"Report" or "Semi Annual Report"**), refers to the six month period (01.01.2019-30.06.2019) and was prepared in accordance with the relevant provisions of Law 3556/2007, as in force. It contains in a concise but meaningful, substantive and comprehensive manner all relevant information required by law to provide substantial and detailed information about the activity, during this period, of the company under the name «NEUROSOFT SOFTWARE PRODUCTION SOCIETE ANONYME» (hereinafter referred to as the **"Company" or «NEUROSOFT»**) and the NEUROSOFT Group of companies (hereinafter referred to as the "Group"), which apart from the Company include the following affiliated companies :

a) «Neurosoft Cyprus Ltd.», headquartered in Cyprus, in which the Company holds a stake of 100% of its capital,
b) "Neurosoft Romania Srl." headquartered in Romania, in which the Company holds a stake of 95% indirectly through its subsidiary Neurosoft Cyprus Ltd,
c) «Neurosoft Cyber and Analytics Ltd », headquartered in United Kingdom, in which the Company holds a stake of 100% of its capital.
d) On 15-12-2014 with the completion of the merger through absorption of the Company under the name "KESTREL INFORMATION SYSTEMS SOCIÉTÉ ANONYME", by NEUROSOFT S.A., the Company absorbed the following subsidiaries of KESTREL:
   Kestrel Information Systems Albania SH.P.K. in which KESTREL SA held the 80% of its capital
   Kestrel Information Systems BULGARIA OOD in which KESTREL SA held the 100% of its capital
   Kestrel Information Systems DOO BEOGRAD in which KESTREL SA held the 100% of its capital.
   The above three mentioned subsidiaries are inactive and under dissolution.

i) On 07-10-2008, the Company acquired a 100% stake of the share capital of «GAEKNAR VENTURES LTD», with registered offices in Cyprus. In virtue of the 03-05-2011 approval decision of the District Court of Limassol, the above mentioned company was merged with the company «Neurosoft Cyprus Ltd" being a subsidiary of the Company as above mentioned.

ii) On 23-06-2008 «GAEKNAR VENTURES LTD» and Mr. Paschalidis, a member of the Board of Directors of the Company established the Company under the trade name «NEUROSOFT ROMANIA SRL» headquartered in Bucharest, which during the fiscal years 2011, 2012, 2013, 2014, 2015, 2016, 2017,2018 and the 1st half of 2019 remained inactive.

iii) On 03-06-2016, the Company established the company under the trade name of «NEUROSOFT CYBER AND ANALYTICS Ltd », with registered offices in United Kingdom which during the fiscal year 2016, 2017,2018 and the 1st half of 2019 remained inactive.

This report accompanies the unaudited interim condensed consolidated financial statements for the six-month period ended at June 30, 2019 (01.01.2019-30.06.2019) and since the Company prepares consolidated financial statements, this report is single, with main and primary reference to the consolidated financial data of the Company and its related companies. The Report along with the financial statements and other information and statements required by law are included in the Semi-Annual Financial Report for the six-month period of 01.01.2019-30.06.2019.

The sections of this Report and the contents thereof, are as follows:

SECTION A

Principal risks and uncertainties

The Company operates in a highly competitive and especially challenging international environment, which is rapidly changing. Over the last years the Company has systematically tried to enhance its extroversion in different geographical areas of interest, with emphasis on a continuous upgrade of products and provided solutions, while in the meantime it develops new products and promotes its entry into new markets, with a view to further penetrating new markets and thus strengthening its competitiveness.

The usual financial and other risk exposures of the Company and the risks which may be encountered during the course of the second half of 2019 (01.07.2019-31.12.2019) are market risk, credit risk, liquidity risk and similar to these risks as below are presented.

1. Credit risk

The Management of the Company ensures that sales are addressed to customers with high credit reliability and ability. Due to the expansion of the Company's activities abroad, this risk becomes real especially with respect to foreign customers from other countries (especially third countries), for which the effective control of credibility is not always easy. Therefore, the Company continuously develops and further evolves its internal risk and legal management mechanisms to fully confront this risk. Therefore, this risk, although real in view of the general adverse economic environment, is currently evaluated as controlled.

2. Currency risk

The Group's revenues are mainly based on Euro denominated agreements and therefore the Group is not exposed to foreign exchange risk. However, the Group's management continuously monitors the foreign exchange risks that may arise and evaluates the need for such measures and includes currency provisions in the agreements with its clients from third countries to mitigate related risks.

3. Interest rate risk

Regarding short-term borrowings / loans, Management monitors on a continuous basis, fluctuations in interest rates and evaluates the need for taking relevant positions to hedge against such risks.

The following table shows the changes in the Group's profit before tax (through the impact of the loan balances at year end with a floating interest rate on profits) in possible changes in interest rates holding at the same time other variables constant.

Sensitivity analysis of the Group's borrowings/ loans to interest rate changes:

	30 June 2019	
	Interest rates volatility	**Effect on Comprehensive Income Statement**
Euro	1.0%	(4,107)
Euro	(1.0%)	4,107

Note: The above table does not include the positive impact of the interest earned on deposits.

4. Cash flow risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that there are always secured credits to use. The existing undrawn credit to the Group is absolutely sufficient to cover any potential lack of cash. The Group maintains sufficient cash reserves and enjoys high credibility with banks due to its dynamic progress in the Greek market and abroad. Prudent liquidity management is achieved with credit availability through approved bank credits and available cash.

5. Change of control in the share capital

OPAP SA on August 2nd 2017, informed the Company that it received the approval of the competent competition authorities of Cyprus (Commission for the Protection of Competition) for the acquisition through its 100% subsidiary, OPAP Investment Ltd (the Buyer) from "Twillin Limited", a company incorporated in Cyprus (the Seller), of 9,770,444 ordinary shares of Neurosoft S.A. representing 38.19% of the shares of the Company, at the agreed price of Euro 3.5/share. The total consideration of the transaction is €34.2mil and was fully paid today by OPAP Investment Ltd.

OPAP's Group total participation in Neurosoft is now 67.72%, which is held through its subsidiaries as follows:

- OPAP INTERNATIONAL LTD:6,401,241 shares representing 25.02% of the Company's capital
- OPAP (CYPRUS) LTD: 1,154,315 shares representing 4.51 %
- OPAP INVESTMENT LTD: 9,770,444 shares representing 38.19%.

SECTION B

Important related party transactions

This section includes the most significant transactions between the Company and its affiliated persons (related parties) as defined in International Accounting Standard 24.

Particularly this section includes:

(a) Transactions between the Company and any related party incurred during the 1st half of 2019 (01.01.2019-30.06.2019) that have materially affected the financial situation or performance of the Company during this period.

(b) Any changes in the transactions between the Company and any related party described in the last annual report, which could have a material effect on the financial situation or performance of the Company during the first half of 2019.

Note that the reference to the above transactions, which follows, includes the following:

(a) The amount of such transactions for the first half of 2019 (01.01.2019-30.06.2019)

(b) The outstanding balance at the end of the first half of 2019 (30.06.2019)

(c) The nature of the related party relationship with the Company and

(d) Any information on transactions, which are necessary for an understanding of the financial position of the Company, but only if such transactions are important and have not been made under normal market conditions.

The related parties of the company are as follows:

a) «Neurosoft Cyprus Ltd.», headquartered in Cyprus, in which the Company holds a 100% stake,
b) "Neurosoft Romania Srl." headquartered in Romania, in which the Company holds 95% stake indirectly through its subsidiary Neurosoft Cyprus Ltd.
c) «Neurosoft Cyber and Analytics Ltd », headquartered in United Kingdom, in which the Company holds a 100% stake.
d) On 15-12-2014 with the completion of the merger through absorption of the Company under the name "KESTREL INFORMATION SYSTEMS SOCIÉTÉ ANONYME", by NEUROSOFT S.A., the Company absorbed the following subsidiaries of KESTREL:
Kestrel Information Systems Albania SH.P.K. in which KESTREL SA held the 80% of its capital
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Kestrel Information Systems DOO BEOGRAD in which KESTREL SA held the 100% of its capital.
The above three mentioned subsidiaries are inactive and under dissolution.

The transactions, as well as the closing balances of receivables and payables, which have resulted from transactions with related parties under IAS 24, are as follows:

	GROUP		COMPANY	
	January 1 - June 30,		January 1 - June 30,	
	2019	2018	2019	2018
	Unaudited		Unaudited	
Sales of services				
OPAP S.A.	3,847,140	4,008,406	3,847,140	4,008,406
TORA WALLET	580	-	580	-
	3,847,720	**4,008,406**	**3,847,720**	**4,008,406**
Purchase of services				
Neurosoft Cyprus Ltd	-	-	81,000	-
	-	**-**	**81,000**	**-**
Key management compensation				
Executives and management members' remuneration	57,000	57,000	57,000	57,000
Remuneration of members of the board	163,021	264,910	163,021	264,910
	220,021	**321,910**	**220,021**	**321,910**

	GROUP		COMPANY	
	30.06.2019 Unaudited	31.12.2018 Audited	30.06.2019 Unaudited	31.12.2018 Audited
Trade receivables from related parties				
OPAP S.A.	971,969	1,652,605	971,969	1,652,605
	971,969	**1,652,605**	**971,969**	**1,652,605**
Other receivables from related parties				
Neurosoft Cyprus Ltd	-	-	213,527	213,527
Neurosoft Cyber and Analytics Ltd	-	-	4,878	2,506
	-	**-**	**218,405**	**216,033**
Payables to related parties				
Neurosoft Cyprus Ltd	-	-	(4,300)	(11,300)
	-	**-**	**(4,300)**	**(11,300)**

Further to the above we note the following:

• No loans or credit facilities have been granted to the members of the Board or to other executive members of the Company (and their families).

• These transactions contain no exceptional or individual characteristic, which would make imperative the further analysis per related party imperative.

• Apart from the above remuneration no other transactions between the Company and the aforementioned executives and Board members exist.

• No transaction has taken place outside and beyond normal market conditions.

• No transaction exists, the value of which exceeds 10 % of the value of the assets of the Company, as reflected in the latest published financial statements.

SECTION C

FURTHER INFORMATION

1.1 Regarding any subsequent events, as of the day of the drafting of this report, please see at note 18 below.

1.2 None of the companies included in the consolidation owns shares or stakes.

1.3 Regarding the planned growth of the Company as well as of the companies included in the consolidation, relative analysis is presented in Section G of this Report.

All the unaudited condensed consolidated financial accounts will be available via the company's site www.neurosoft.gr

UNAUDITED INTERIM
CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

For the period ended
June 30, 2019

In accordance with the International Financial Reporting
Standards as adopted by the European Union

INTERIM STATEMENT OF COMPREHENSIVE INCOME

		GROUP		COMPANY	
	Note	01.01-30.06.2019	01.01-30.06.2018*	01.01-30.06.2019	01.01-30.06.2018*
Revenue	4	7,231,605	6,237,605	7,231,605	6,204,405
Cost of services	5	(6,726,455)	(5,981,770)	(6,706,863)	(5,969,380)
Gross profit		**505,150**	**255,835**	**524,742**	**235,025**
Selling and distribution expenses	5	(1,207,312)	(612,244)	(1,203,796)	(612,244)
Administrative expenses	5	(689,893)	(1,094,203)	(687,883)	(1,071,427)
Other income		84,843	227,052	84,843	227,052
Operating loss		**(1,307,211)**	**(1,223,560)**	**(1,282,094)**	**(1,221,594)**
Financial income	6	142	164	142	164
Financial costs	6	(49,466)	(23,176)	(48,461)	(21,212)
Loss before income taxes		**(1,356,535)**	**(1,246,572)**	**(1,330,412)**	**(1,242,642)**
Income taxes	7	53,214	193,986	53,214	193,986
Net loss for the period (A)		**(1,303,321)**	**(1,052,586)**	**(1,277,198)**	**(1,048,656)**
Other comprehensive income (B)		-	-	-	-
Total comprehensive loss after tax (A)+(B)		**(1,303,321)**	**(1,052,586)**	**(1,277,198)**	**(1,048,656)**
Loss for the period attributable to:					
Equity holders of the parent		(1,303,321)	(1,052,586)	(1,277,198)	(1,048,656)
Non-controlling interests		-	-	-	-
		(1,303,321)	**(1,052,586)**	**(1,277,198)**	**(1,048,656)**
Total comprehensive loss for the period attributable to:					
Equity holders of the parent		(1,303,321)	(1,052,586)	(1,277,198)	(1,048,656)
Non-controlling interests		-	-	-	-
		(1,303,321)	**(1,052,586)**	**(1,277,198)**	**(1,048,656)**
Total weighted number of ordinary shares		25,584,594	25,584,594	25,584,594	25,584,594
Adjusted weighted average number of ordinary shares for		25,584,594	25,584,594	25,584,594	25,584,594
Loss per share (basic and diluted)		(0.0509)	(0.0411)	(0.0499)	(0.0410)

* The Group and the Company has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated (note 2.3).

The notes on pages 14 to 31 form an integral part of the condensed interim financial statements.

INTERIM STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
	Note	30.06.2019	31.12.2018*	30.06.2019	31.12.2018*
ASSETS					
Non - current assets					
Intangible assets	10	4,331,642	4,703,920	4,331,642	4,703,920
Property, plant & equipment	9	1,709,851	493,509	1,709,851	493,509
Investments in subsidiaries	8	-	-	813,501	813,501
Other non - current assets		153,293	98,911	153,293	98,911
		6,194,785	**5,296,340**	**7,008,286**	**6,109,841**
Current assets					
Cash and cash equivalents	12	2,458,954	2,784,254	2,193,331	2,768,679
Restricted cash		2,259	2,259	2,259	2,259
Inventories		834,278	807,595	834,278	807,595
Trade receivables	11	2,719,004	3,938,547	2,720,734	3,905,296
Other current assets	11	1,244,901	441,417	1,366,758	592,114
		7,259,395	**7,974,072**	**7,117,360**	**8,075,943**
Total assets		**13,454,181**	**13,270,411**	**14,125,646**	**14,185,784**
EQUITY					
Attributable to shareholders of the parent					
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
Reserves		377,638	377,638	377,638	377,638
Retained earnings		(2,969,053)	(1,665,733)	(2,021,264)	(744,066)
		6,963,193	**8,266,513**	**7,910,982**	**9,188,180**
LIABILITIES					
Non-current liabilities					
Long-term borrowings		1,420,233	572,635	1,420,233	572,635
Deferred tax liabilities		916,244	969,458	916,244	969,458
Employee benefit plans		229,838	205,526	229,838	205,526
Provisions		54,336	54,336	54,336	54,336
		2,620,651	**1,801,955**	**2,620,651**	**1,801,955**
Current liabilities					
Short-term borrowings		601,394	271,622	601,394	271,622
Trade payables	14	1,775,313	1,618,647	1,772,094	1,629,948
Tax liabilities	15	247,225	637,856	247,684	637,856
Other current liabilities	14	1,246,404	673,818	972,840	656,223
		3,870,337	**3,201,943**	**3,594,013**	**3,195,649**
Total liabilities		**6,490,988**	**5,003,897**	**6,214,664**	**4,997,604**
Total equity & liabilities		**13,454,181**	**13,270,411**	**14,125,646**	**14,185,784**

* The Group and the Company has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated (note 2.3).

The notes on pages 14 to 31 form an integral part of the condensed interim financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to owners of the parent				
	Share capital	**Share premium**	**Reserves**	**Retained earnings**	**Total equity**
1 January 2018	**8,954,608**	**600,000**	**377,638**	**(1,359,286)**	**8,572,960**
Net loss for the period	-	-	-	(1,052,586)	(1,052,586)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,052,586)**	**(1,052,586)**
30 June 2018	**8,954,608**	**600,000**	**377,638**	**(2,411,872)**	**7,520,374**
1 January 2019*	**8,954,608**	**600,000**	**377,638**	**(1,665,732)**	**8,266,514**
Net loss for the period	-	-	-	(1,303,321)	(1,303,321)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,303,321)**	**(1,303,321)**
30 June 2019	**8,954,608**	**600,000**	**377,638**	**(2,969,053)**	**6,963,193**

COMPANY

	Share capital	**Share premium**	**Reserves**	**Retained earnings**	**Total equity**
1 January 2018	**8,954,608**	**600,000**	**377,638**	**(353,640)**	**9,578,606**
Net loss for the period	-	-	-	(1,048,656)	(1,048,656)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,048,656)**	**(1,048,656)**
30 June 2018	**8,954,608**	**600,000**	**377,638**	**(1,402,296)**	**8,529,950**
1 January 2019*	**8,954,608**	**600,000**	**377,638**	**(744,066)**	**9,188,180**
Net loss for the period	-	-	-	(1,277,198)	(1,277,198)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,277,198)**	**(1,277,198)**
30 June 2019	**8,954,608**	**600,000**	**377,638**	**(2,021,264)**	**7,910,982**

* The Group and the Company has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated (note 2.3).

The notes on pages 14 to 31 form an integral part of the condensed interim financial statements.

NTERIM CASH FLOW STATEMENT

	GROUP		COMPANY	
	01.01-30.06.2019	01.01-30.06.2018*	01.01-30.06.2019	01.01-30.06.2018*
Operating activities				
Profit before tax	**(1,356,535)**	**(1,246,572)**	**(1,330,412)**	**(1,242,642)**
Adjustments for:				
Depreciation and amortization	941,448	706,003	941,448	706,003
Financial expenses - net	45,921	23,012	44,916	21,048
Other provisions	22,873	46,805	22,873	46,805
Exchange differences	3,403	-	3,403	-
Operating profit before working capital changes	**(342,890)**	**(470,753)**	**(317,773)**	**(468,787)**
Changes in working capital				
(Increase) / decrease in inventories	(26,683)	1,272	(26,683)	1,272
(Increase) / decrease in receivables	416,060	(55,460)	409,919	(92,893)
Increase / (decrease) in payables (excl. borrowings)	156,666	186,615	142,146	187,424
Increase / (decrease) in other current liabilities	572,586	(6,405)	316,617	37,786
Interest and related expenses paid	(44,619)	(23,176)	(43,614)	(21,212)
Increase / (decrease) in tax liabilities	(390,631)	50,463	(390,172)	50,463
Payment for staff indemnity	-	(933)	-	(933)
(Increase) / decrease in other non-current assets	(54,381)	(11,447)	(54,381)	(11,447)
Cash flows from / (used in) operating activities (a)	**286,108**	**(329,827)**	**36,059**	**(318,327)**
Investing activities				
Purchase of intangible assets	(342,820)	(126,234)	(342,820)	(126,234)
Purchase of property, plant & equipment	(62,900)	-	(62,900)	-
Interest received	136	164	136	164
Cash flows used in investing activities (b)	**(405,583)**	**(126,070)**	**(405,583)**	**(126,070)**
Financing activities				
Proceeds from borrowings	-	407,000	-	407,000
Repayments of borrowings	(45,811)	(45,811)	(45,811)	(45,811)
Repayments of finance leases	(156,610)	-	(156,610)	-
Cash flows (used in) / from financing activities (c)	**(202,421)**	**361,189**	**(202,421)**	**361,189**
Net decrease in cash and cash equivalents (a)+(b)+(c)	**(321,896)**	**(94,708)**	**(571,945)**	**(83,208)**
Cash and cash equivalents at the beginning of period	2,784,254	2,495,105	2,768,679	2,454,582
Foreign exchange gains on cash and cash equivalents	(3,403)	-	(3,403)	-
Cash and cash equivalents at the end of period	**2,458,954**	**2,400,397**	**2,193,331**	**2,371,374**

* The Group and the Company has applied IFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated (note 2.3).

The notes on pages 14 to 31 form an integral part of the condensed interim financial statements.

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

1. General information

Neurosoft Software Production S.A (the Company) is a Société Anonyme incorporated and domiciled in Greece, at 466 Irakliou Ave. & Kiprou str., 141 22 Iraklio Attica, whose shares are publicly traded at the AIM / MAC MILANO multilateral trading facility. The duration of the Company according to its Articles of Association is 100 years from the date of its incorporation, with a possible extension following an approval of the Shareholders' General Meeting.

Neurosoft is a Greek software production and ICT company, which specialises in the design, development, customisation and maintenance of integrated software systems for its four core business areas: (i) Fintech & Analytics, (ii) Cyber Security Operations, (iii) Systems Engineering, as well as the provision of advanced information technology services in both the Greek and international markets.

The number of employees for the Group and the Company at June 30, 2019, amounted to 192 and 189 respectively. At December 31, 2018, the number of employees for the Group amounted to 204 and for the Company to 201.

The Board of Directors of "Neurosoft S.A." approved the separate and consolidated financial statements for the period ended at June 30, 2019, on September 19, 2019. The above-mentioned financial statements are subject to the final approval of the Ordinary General Assembly of the Shareholders.

Information on the Subsidiaries:

a) «Neurosoft Cyprus Ltd», headquartered in Cyprus, in which the Company holds a stake of 100% of its capital,

b) «Neurosoft Romania Srl» headquartered in Romania, in which the Company holds a stake of 95% indirectly through its subsidiary Neurosoft Cyprus Ltd,

c) «Neurosoft Cyber and Analytics Ltd », headquartered in United Kingdom, in which the Company holds a stake of 100% of its capital.

2. Summary of significant accounting policies

2.1. Basis of preparation of the financial statements

The consolidated and separate interim condensed financial statements, for the six-month period ended at June 30, 2019, have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The consolidated and separate interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the published annual financial statements for the year ended December 31, 2018, which are available on the internet in the address www.neurosoft.gr.

These financial statements have been prepared under the historical cost convention and the assumption of business continuity. Management continuously assesses the conditions and potential effects of the Company's operations in order to ensure that it will continue as a going concern.

The accounting policies adopted in the preparation of these interim financial statements are consistent with those followed for the year ended December 31, 2018, except for the adoption of new standards and interpretations applicable for fiscal periods beginning on January 1, 2019 (See Note 2.3).

The preparation of the financial statements, in accordance with International Financial Reporting Standards (IFRS), requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies which have been adopted. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.2 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 9 (Amendments) “Prepayment Features with Negative Compensation”

The Amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

IFRS 16 “Leases”

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The effect from applying the standard to the Group and the Company is described in note 2.3.

IAS 28 (Amendments) “Long term interests in associates and joint ventures”

The Amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.

IFRIC 23 “Uncertainty over income tax treatments”

The interpretation explains how to recognise, and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

IAS 19 (Amendments) “Plan amendment, curtailment or settlement”

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

Annual Improvements to IFRS (2015 – 2017 Cycle)

The amendments set out below include changes to four IFRSs.

IFRS 3 "Business combinations"

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint arrangements"

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

IAS 12 "Income taxes"

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 "Borrowing costs"

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Standards and Interpretations effective for subsequent periods

IFRS 3 (Amendments) "Definition of a business" (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. The amendments have not yet been endorsed by the EU.

IAS 1 and IAS 8 (Amendments) "Definition of a material" (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS. These amendments have not yet been endorsed by the EU.

IFRS 17 “Insurance contracts” (effective for annual periods beginning on or after 1 January 2021)
IFRS 17 has been issued in May 2017 and supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost. The standard has not yet been endorsed by the EU.

2.3 Changes in accounting policies

Except as described below, the accounting policies applied in current Interim Financial Statements are the same as those applied in the Group’s annual Financial Statements for the year ended on 31.12.2018.

On 01.01.2019 the Group adopted and applied for the first time IFRS 16 “Leases” following the modified retrospective approach under which the cumulative impact of the adoption was recognized during the initial application i.e. 01.01.2019 while the information of 2018 was not restated but presented according to the previous standards and interpretations.

The details of the changes in accounting policies are disclosed below.

Definition of a lease
Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 “Determining whether an arrangement contains a lease”. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

Impact on transition

The Group previously identified leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases, apart from short-term leases (lease within 1 year) and leases for which the underlying asset is of low value (lower than € 4,500). The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjustments for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Groups' incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The weighted average incremental borrowing rate applied to the lease liabilities on initial application and at reporting date, i.e. on 01 January 2019 and 30 June 2019, was 3.4% for both the Group and the Company.

Based on the above, the Group and the Company performed an analysis of the IFRS 16 impact as of January 1, 2019. For the commitments arising from operating leases, the Group and the Company recognised rights-of-use assets and lease liabilities of € 1,263,728. The respective right-of-use assets and lease liabilities relate to leases of buildings and transportation means.

The recognised right-of-use assets and lease liabilities for the Group and the Company are as follows:

Right-of-use assets

	30.06.2019	01.01.2019
Buildings	793,254	879,905
Transportation means	418,542	383,823
Total	**1,211,797**	**1,263,728**

Finance lease liabilities

	30.06.2019	01.01.2019
Buildings	799,849	879,905
Transportation means	423,333	383,823
Total	**1,223,182**	**1,263,728**

2.4 Consolidation

The consolidated interim condensed financial statements comprise the financial statements of "Neurosoft S.A." and all the subsidiaries that "Neurosoft S.A." has the power to control. All subsidiaries (companies in which the Group has direct or indirect ownership of 50% or more voting interest or has the power to control the Board of the investees) have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

All intra-group balances and transactions have been eliminated in the consolidated financial statements. Accounting policies for subsidiaries have been revised, where necessary, to ensure consistency with the policies adopted by the Group. The financial statements of the subsidiaries are prepared for the same reporting date with that of the Company.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Gain or losses of subsidiaries are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the said subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parents' share of components previously recognised in other comprehensive income to profit or loss

Investments in subsidiaries in the separate financial statements are accounted for at cost less any accumulated impairment.

2.5 Reclassifications

Previous year amounts indicated below have been reclassified so that the Statement of Financial Position and the Cash Flow Statement of the Group and the Company as of 31/12/2018 and 30/06/2018 respectively are comparable to the Statement of Financial Position and the Cash Flow Statement as of 30/06/2019. More specifically:

The following reclassifications have been made in the Statement of Financial Position:

- An amount of €2,259 for the Group and the Company has been reclassified from "Other current assets" to "Restricted cash"
- An amount of €215,673 for the Company has been reclassified from "Receivables from intra-Group companies" to "Other current assets"
- An amount of €91,622 for the Group and the Company has been reclassified from "Long-term borrowings" to "Short-term borrowings"
- An amount of €54,336 for the Group and the Company has been reclassified from "Tax liabilities" to "Provisions"
- An amount of €637,856 for the Group and the Company has been reclassified from "Other current liabilities" to "Tax liabilities".

The following reclassifications have been made in the Statement of Cash Flows:

- An amount of €52,037 for the Group and the Company has been reclassified from "Increase / (decrease) in other current liabilities" to "Increase / (decrease) in tax liabilities" within working capital changes in operating activities
- An amount of €154,872 for the Group and €118,857 for the Company have been reclassified from "Prepayments and other receivables" to "(Increase) / decrease in receivables" within working capital changes in operating activities.

Moreover, notes have been reclassified for comparability purposes. The above reclassifications do not affect equity or results.

3. Significant Accounting Judgements and Estimates:

The Group and the Company make estimates and judgments concerning the future. The resulting accounting estimates will, by definition, be seldom equal to the related actual results. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgments that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(a) ***Allowance for doubtful accounts receivables***: The Group's and the Company's Management periodically reassess the adequacy of the allowance for doubtful accounts receivable in conjunction with its credit policy and taking into consideration reports from its legal department, which are prepared following the processing of historical data and recent developments of the cases they are handling.

(b) ***Provision for income taxes:*** According to IAS 12, income tax provisions are based on estimations as to the taxes that shall be paid to the tax authorities and includes the current income tax for each fiscal year, the provision for additional taxes which may arise from future tax audits and the recognition of future tax benefits. The final clearance of income taxes may be different from the relevant amounts which are included in these financial statements.

(c) ***Depreciation rates:*** The Group's assets are depreciated over their estimated remaining useful lives. These useful lives are periodically reassessed to determine whether the original period continues to be appropriate. The actual lives of these assets can vary depending on a variety of factors such as technological innovation and maintenance programmes.

(d) ***Impairment of property, plant and equipment***: Property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value-in-use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows (note 3i).

(e) ***Deferred tax assets:*** Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits together with future tax planning strategies.

4. Group segment information

During the 1st Semester of 2019, the Company, in accordance with the Strategic Business Plan for 2019-2021, reorganized the business segments. More specifically, Neurosoft merged two business pillars, the “Fintech” and the “Gaming Analytics”, into one, under the name “Fintech & Analytics”. This course of action is considered an efficient way to improve market penetration and increase business, as the Company shall fully exploit the continuous investment plan in R&D and shall create economies of scale.

The objective of this decision is to align the resources, as well as, the product portfolios of the sectors and to pursue large scale organization with high-volume business transactions for which the advanced methodologies and technologies such as Blockchain an IoT is not an industry trend but a mandatory feature of their operational framework.

The Group's and Company's operations are divided into three segments:

1) Fintech and Analytics
2) Cyber Security Operations
3) Systems Engineering

Transactions between business segments are set on arm's length basis in a manner similar to transactions with third parties.

The segment information of the Group for the period ended June 30, 2019 is analyzed as follows:

1.1-30.06.2019	**Fintech & Analytics**	**CSO**	**SE**	**Other**	**Total**
Revenue	711,356	640,428	5,915,510	49,154	**7,316,448**
Cost	866,001	1,008,647	6,716,119	32,893	**8,623,660**
Operating Loss	(154,645)	(368,218)	(800,609)	16,261	**(1,307,211)**

5. Expenses by category

Expenses (cost of sales, selling and distribution, administrative) are analyzed as follows:

	GROUP		**COMPANY**	
	January 1 - June 30, Unaudited		**January 1 - June 30, Unaudited**	
	2019	**2018**	**2019**	**2018**
Payroll and related costs	3,259,245	2,972,682	3,174,203	2,962,647
Third party fees and services	2,112,940	2,355,273	2,181,598	2,348,297
Taxes and duties	5,484	7,819	5,134	7,819
Sundry expenses	768,804	1,084,576	761,624	1,084,576
Depreciation and amortisation	941,448	706,003	941,448	706,003
Provisions for doubtful debts (IFRS 9)	-	24,005	-	24,005
Other operating expenses	161,717	183,873	160,514	165,718
Cost of sales of inventory and consumables	1,374,022	353,987	1,374,022	353,987
Total expenses	**8,623,660**	**7,688,218**	**8,598,542**	**7,653,052**

The above expenses are analyzed as follows:

	GROUP		COMPANY	
	January 1 - June 30,		January 1 - June 30,	
	2019	2018	2019	2018
	Unaudited		Unaudited	
Cost of sales	6,726,455	5,981,770	6,706,863	5,969,380
Selling and distribution expenses	1,207,312	612,244	1,203,796	612,244
Administrative expenses	689,893	1,094,203	687,883	1,071,427
Total	**8,623,660**	**7,688,218**	**8,598,542**	**7,653,052**

6. Financial income / (expenses)

Financial income / (expenses) in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	January 1 - June 30,		January 1 - June 30,	
	2019	2018	2019	2018
	Unaudited		Unaudited	
Financial costs				
Interest expense on bank borrowings	(14,589)	(14,522)	(14,589)	(13,562)
Interest expense related to finance leases	(21,402)	-	(21,402)	-
Losses from exchange differences	(3,409)	-	(3,409)	-
Other financial expenses	(10,066)	(8,654)	(9,061)	(7,650)
Total financial expenses	**(49,466)**	**(23,176)**	**(48,461)**	**(21,212)**
Financial income				
Interest income	136	164	136	164
Gains from exchange differences	6	-	6	-
Total financial income	**142**	**164**	**142**	**164**
Net total financial expenses	**(49,324)**	**(26,766)**	**(48,319)**	**(21,048)**

7. Income taxes

According to the Greek tax law L.4334/GG A’ 80/16.07.2015, the tax rate for the Societies Anonymes in Greece, is 28% (2018: 29%). Based on the article 23 of L.4579/2018 starting from 2019, the corporate income tax rate in Greece will gradually decrease to 25% by 2022. The rate will decrease by 1% each year (i.e. 28% in 2019, 27% in 2020, 26% in 2021 and 25% in 2022 and thereafter).

The amounts of income taxes, which are reflected in the accompanying statement of comprehensive income are analyzed as follows:

	GROUP		COMPANY	
	January 1 - June 30,		January 1 - June 30,	
	2019	2018	2019	2018
	Unaudited		Unaudited	
Deferred tax	53,214	193,986	53,214	193,986
Total	**53,214**	**193,986**	**53,214**	**193,986**

Greek tax laws and regulations are subject to interpretations by the tax authorities. Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five fiscal years following the fiscal year to which they relate.

Tax Compliance certificate

For financial years 2011 to 2015, all Greek Sociétés Anonymes that are required to prepare audited statutory financial statements should in addition obtain a “Tax Compliance Report”, as provided by paragraph 5 of Article 82 of Law 2238/1994 and article 65A of Law 4174/2013, which was issued after a tax audit carried out by the same statutory auditor or audit firm that issued the audit opinion on the statutory financial statements. For financial years from 2016 onwards, the tax audit and the issuance of a “Tax Compliance Report” are optional. The Company has decided to continue to be tax audited by its statutory auditors, which is now optional. It is noted that according to the relevant tax provisions, the State’s right to impose taxes for financial years up to 2012 (statute of limitations) expired on 31.12.2018.

Neurosoft has not been audited by the tax authorities for the fiscal year 2010. As for Neurosoft’s subsidiaries, they have not been audited for the fiscal years shown as follows:

Company Name	Unaudited tax years / periods
Neurosoft Cyprus Ltd.	-
Neurosoft Romania Srl.	23/6/2008 - today
Neurosoft Cyber and Analytics Ltd	-

For the fiscal years 2011 to 2017 Neurosoft S.A. has been tax audited by its statutory auditors in accordance with the paragraph 5 of Article 82 of L.2238/1994 and the article 65a of L.4174/2013.

No significant additional tax liabilities arose, in excess to those provided for and disclosed in the financial statements.

The tax compliance certificate for the fiscal year 2018 is still in progress based on the provisions of article 65a of L.4174/2013. No significant additional tax liabilities are expected to arise, in excess of those provided for and disclosed in the financial statements.

In a future tax audit of the unaudited tax years as above mentioned, it is possible that additional taxes and penalties may be assessed to Neurosoft and/ or its subsidiaries. The Group believes that they have provided adequate provision (€ 54,336) for probable future tax assessments based upon previous years' tax examinations and past interpretations of the tax laws.

8. Investment ins subsidiaries

Neurosoft's subsidiaries which are included in the consolidated financial statements are as follows:

	Company			
Company Name	**30.06.2019**		**31.12.2018**	
	Book Value	**%**	**Book Value**	**%**
NEUROSOFT CYPRUS LTD	813,500	100%	813,500	100%
NEUROSOFT ROMANIA SRL	-	95%	-	95%
NEUROSOFT CYBER AND ANALYTICS	1	100%	1	100%
	813,501		**813,501**	

9. Property, plant and equipment

During the period 01.01.2019-30.06.2019, the Group and the Company implemented investments of €62,900 concerning improvements in third party properties and purchases of other fixed assets (mechanical and other equipment). The significant increase in property, plant and equipment during the period is due to the recognition of right-of-use assets of €1,263,728 from the IFRS 16 adoption, as described in Note 2.3.

10. Intangible assets

Intangible assets comprise:

a) The website www.betonews.gr, owned by the subsidiary Rockberg S.A. Useful life was estimated by Management at 5 years.

b) The development costs (payroll) of internally generated software. The costs meet the criteria of development costs described in IAS 38 "Intangible Assets". Useful life was estimated by Management at 5 years.

c) The customer base which derived from the allocation of the provisional goodwill (acquisition of Kestrel).

11. Trade receivables and other current assets

Trade receivables are analysed as follows:

		GROUP		COMPANY	
	Note	30.06.2019 Unaudited	31.12.2018 Audited	30.06.2019 Unaudited	31.12.2018 Audited
Trade customers		1,616,446	2,155,371	1,618,176	2,122,120
Trade customers - Related parties	16	971,969	1,652,605	971,969	1,652,605
Cheques and notes receivable		59,792	59,774	59,792	59,774
Doubtful customers		180,306	180,306	180,306	180,306
Less: Allowance for doubtful accounts receivable		(109,509)	(109,509)	(109,509)	(109,509)
Total trade receivables		**2,719,004**	**3,938,547**	**2,720,734**	**3,905,296**

The Group and the Company have applied the simplified approach of paragraph 5.5.15 of IFRS 9, according to which contra account of expected credit losses, regarding receivables from customers is determined to the amount arising based on the total duration of receivables. For determining these losses, the ageing analysis of trade receivables is used, developed by historical data and reasonable provisions for the future.

Other current assets are analysed as follows:

		GROUP		COMPANY	
	Note	30.06.2019 Unaudited	31.12.2018 Audited	30.06.2019 Unaudited	31.12.2018 Audited
Prepaid expenses		321,092	237,738	247,318	237,738
Accrued income		792,509	-	792,509	-
Tax withheld		118	-	118	-
Advances to employees and contractors		26,486	6,848	26,486	6,848
Receivables from related parties	16	-	-	218,405	216,033
Other debtors		104,695	196,831	81,921	131,495
		1,244,901	**441,417**	**1,366,758**	**592,114**

12. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	GROUP		COMPANY	
	30.06.2019 Unaudited	31.12.2018 Audited	30.06.2019 Unaudited	31.12.2018 Audited
Cash in hand	20,004	20,081	20,004	20,081
Cash at bank	2,438,950	2,764,173	2,173,327	2,748,598
Total	**2,458,954**	**2,784,254**	**2,193,331**	**2,768,679**

13. Share capital

The Company's share capital amounts to €8,954,608, divided into 25,584,594 ordinary shares with a par value of €0.35 each.

14. Trade payables and other current liabilities

Trade payables are analyzed as follows:

		GROUP		COMPANY	
	Note	30.06.2019 Unaudited	31.12.2018 Audited	30.06.2019 Unaudited	31.12.2018 Audited
Domestic and foreign suppliers		1,634,999	1,350,458	1,627,479	1,350,459
Suppliers - Related parties	16	-	-	4,300	11,300
Post-dated cheques payable		140,314	268,189	140,314	268,189
Total		**1,775,313**	**1,618,647**	**1,772,094**	**1,629,948**

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	30.06.2019 Unaudited	31.12.2018 Audited	30.06.2019 Unaudited	31.12.2018 Audited
Social security payable	150,991	275,215	150,991	275,215
Deferred income	93,598	-	93,598	-
Accrued expenses	14,803	270,299	1,148	270,299
Other current liabilities	987,012	128,304	727,103	110,709
Total	**1,246,404**	**673,818**	**972,840**	**656,223**

15. Tax liabilities

Tax liabilities are analysed as follows:

	GROUP		COMPANY	
	30.06.2019 Unaudited	31.12.2018 Audited	30.06.2019 Unaudited	31.12.2018 Audited
VAT and other taxes	247,225	637,856	247,684	637,856
	247,225	**637,856**	**247,684**	**637,856**

16. Related party transactions

The aggregate amounts of sales for the period, as well as the closing balances of receivables and payables, which have resulted from transactions with related parties under IAS 24, are as follows:

i) Transactions with related parties

	GROUP		COMPANY	
	January 1 - June 30,		January 1 - June 30,	
	2019	2018	2019	2018
	Unaudited		Unaudited	
Sales of services				
OPAP S.A.	3,847,140	4,008,406	3,847,140	4,008,406
TORA WALLET	580	-	580	-
	3,847,720	**4,008,406**	**3,847,720**	**4,008,406**
Purchase of services				
Neurosoft Cyprus Ltd	-	-	81,000	-
	-	**-**	**81,000**	**-**
Key management compensation				
Executives and management members' remuneration	57,000	57,000	57,000	57,000
Remuneration of members of the board	163,021	264,910	163,021	264,910
	220,021	**321,910**	**220,021**	**321,910**

All transactions mentioned above are carried out at arms' length.

ii) Balances from / (to) related parties

	GROUP		COMPANY	
	30.06.2019 Unaudited	31.12.2018 Audited	30.06.2019 Unaudited	31.12.2018 Audited
Trade receivables from related parties				
OPAP S.A.	971,969	1,652,605	971,969	1,652,605
	971,969	**1,652,605**	**971,969**	**1,652,605**
Other receivables from related parties				
Neurosoft Cyprus Ltd	-	-	213,527	213,527
Neurosoft Cyber and Analytics Ltd	-	-	4,878	2,506
	-	**-**	**218,405**	**216,033**
Payables to related parties				
Neurosoft Cyprus Ltd	-	-	(4,300)	(11,300)
	-	**-**	**(4,300)**	**(11,300)**

17. Contingent liabilities

Litigation and Claims:

Barclays Bank PLC

Neurosoft participated to the ReFINA (Barclays Open Account/Sales Finance products – hereinafter Project) Request for Proposal ("RFP") issued by Barclays on 16 Dec 2015. Barclays has evaluated the proposals received, using the evaluation criteria advised in the RFP, and has selected Neurosoft S.A. as its preferred vendor for the provision and implementation of a private cloud solution (the "Contract Services"). Neurosoft was initially instructed and to perform a "Discovery Phase" system evaluation which was completed in June 2016 and at the same time proceeded to finalize the Order Form for the main Project and to this respect the General Framework Agreement and Order Form for the Discovery Phase have been signed remaining pending the Order Form for the main Project. On the 30th of August, Barclays notified Neurosoft that the Booking Platform for Barclays Open Account/Sales Finance products (main contract), has been put on hold until further notice. This is on the back of a Barclays Group decision to adjust investments in support of regulatory programs and ensure the Bank's commitments to shareholders and regulators are fully met. Neurosoft currently is under initiation of a mediation commenced on September 16th, 2019 before filing final claim to the court.

18. Events after the reporting date

On 21 June, 2019, the Company, following the conclusion of its due diligence exercise, signed a Shares Purchase Agreement to acquire the 100% of Daedalus Technologies FZCO, a technology provider of security and ICT systems integration consultancy services operating in UAE and MENA region established under the laws of the Dubai Silicon Oasis (DSO) Free Zone.

Under the terms of the SPA, the purchase price has been agreed for the total maximum amount of €250,000 subject to Daedalus revenue accomplishments. More specifically, as of today and in line with the terms of SPA, the amount of € 50,000 is paid by the Company to the shareholders of the Daedalus (the "Advance Payment").

Besides the Advance Payment, the Company shall recognize additional conditional payments for a maximum amount of €200,000 depending on the revenues generated during the period commencing on the date of execution and ending on December 31st, 2021 ("Balance Purchase Price").

The transaction shall be considered concluded, following the sign of the original shareholder share certificates by the Company. Neurosoft submitted the application and corresponding documents to the DSOA (Dubai Silicon Oasis Authority) to receive the typical approval of the transaction and anticipates the next stage.

Athens, September 19, 2019

President of the BoD	Chief Executive Officer	Head Accountant
Nikolaos Vasilonikolidakis	Epameinondas Paschalidis	Maria Trakadi
		Deloitte. R.N.E.C.: 27913 DBPS Single Member SA Accounting Office License No 1297