



**Board of Directors of Neurosoft S.A. approves
2020 Annual Financial Statements and its intention to spin off Fintech & Analytics
Segment**

- **Consolidated Revenues amounted to € 14,73 million in 2020 (€14,90 million in 2019)**
- **Gross Profit in 2020 amounted to €0,62 million (€1,30 million in 2019)**
- **EBITDA in 2020 amounted to € (0,92) million (€ (0,28) million in 2019)**
- **EBIT in 2020 amounted to € (2,76) million (€ (2,88) million in 2019)**
- **Net Profit in 2020 amounted to € (2.62) million (€ (2,62) million in 2019)**
- **Total equity structure verifies article 119 par. 4 of L. 4548/2018. The Company's main shareholder is committed to enhance Neurosoft capital structure in case of need**

Iraklio, Attica, April 19, 2020 - The Board of Directors of **Neurosoft S.A.**, a fully integrated ICT Company with Software Development, System Integration and Information Technology Security Capabilities, traded on Milan's AIM Italia market ([GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), has **Banca Intermobiliare SpA** as its Nominated Adviser, met today and:

- 1) approved Neurosoft's Consolidated Annual Audited Financial Statements (including the results for its subsidiaries, Neurosoft Cyprus Ltd, Daedalus FZO, Neurosoft Romania Srl and Neurosoft Cyber and Analytics Ltd) for the year ended December 31st, 2020. Neurosoft,
- 2) approved its intention to proceed to the spin off of the FINTECH sector. The Demerger will be effected through the spin-off of the FINTECH sector of the Company, which shall be a wholly owned (100%) subsidiary of the Demerged Entity [Neurosoft]. Upon completion of the Demerger, the Demerged Entity [Neurosoft] will retain assets, liabilities and activities, whilst its shares will remain listed on the AIM Milan Italy Stock Exchange.
- 3) Invites the Shareholders of the Company to an Extraordinary General Meeting on Monday, May 21st, 2021, at 10:00 am, at the registered offices of the Company, 466 Irakliou Avenue & Kiprou str., Iraklio Attikis, to discuss and pass a resolution on the Daily Agenda items stated in Item 3 below.

A: FINANCIAL STATEMENTS 2020

“Year 2020 brought challenges and activity disruptions that forced us to operate in uncharted waters. The global COVID-19 pandemic has resulted in widespread lockdowns and economic uncertainty, that affected our major partners and therefore our company.

Despite the adversities, we managed to preserve our Revenues and to move swiftly to right-size our business by purging and strengthening our balance sheet and lowering capital spending.

*Our teams showed resilience and adaptability to the new conditions, allowing us to look ahead to the rest of 2021 with optimism, and we are aiming to put us back on track as the economy gradually recovers.” Stated **Epameinondas Paschalidis, Chief Executive Officer of Neurosoft S.A***

2020 Neurosoft Group Consolidated Performance

The FY 2020 ended with consolidated revenues equal to € 14,73 million continuing last year’s upturn. The revenue stability is considered a great “win” during tough economic times and it is built on the Company’s effort to meet the customer’s needs such as safety, security and feeling of trust.

EBITDA (dropped to € (0.92)) was impacted by economic meltdown, non-recurring effects, and economic consequences of Covid-19 pandemic.

Moreover, in the year ended 31 December 2020, the following impairment charges were recognized

- €0.30 to Goodwill with respect to Neurosoft Cyprus,
- €0.26 with respect to the intangible assets of Neurosoft SA and
- €0.55 with respect to slow-moving inventory write down.

Additionally, as of December 31, 2020 the Group and the Company have positive working capital of €900,772 and €893,182 respectively, as well as, sufficient undrawn borrowing facilities that can be utilized if needed. The Company’s main shareholder is committed to enhance its capital structure in case it is deemed necessary, for at least within the next 12 months from the approval of Financial Statements.

Article 119 par. 4 of L. 4548/2018

As of December 31, 2020, the Group’s and Company’s total equity is less than half ($\frac{1}{2}$) of the share capital (pursuant to article 119 par. 4 of L. 4548/2018) and the Company is evaluating the appropriate necessary steps and actions that have to be taken within the next 12 months following the provisions of article 119 par. 4 of L. 4548/2018 . The Company’s main shareholder is committed to enhance its capital structure in case it is deemed necessary, for at least within the next 12 months from the approval of Financial Statements.

Anticipated course and Company’s development for the year 2021

Based on the up-to-date estimations for 2021 there is cautious optimism regarding the achievement of the economic objectives, despite the clearly difficult financial circumstances that continue to dominate the

domestic market and economy. The Company will continue to invest in added value technological products and solutions in 2021, in line with the requirements of our times, which are expected to yield a dynamic response in the targeted markets, while in the meantime it will focus on further enhancing its extroversion. In any case, taking into consideration the overall liquidity that prevails, the future cannot be predicted with accuracy. The extremely dynamic sectors of Systems Engineering and Cyber Security allow the diversification of its portfolio on the one hand, and cross synergies on the other that were not fully in-place in the previous years. The Company's unique selling point will be its E2E capacity to design, implement, maintain and operate ICT infrastructures providing high-end services from Systems to Field to Cyber. The strategy of the Company will be international expansion (going East) for Fintech and its Proxima+ ecosystem following the acquisition of the UAE entity and focus on the home market (Greece and Cyprus) for our Systems Engineering business. To this end the Company's strategy is to proceed with the spin off of the Fintech Segment (including Proxima+ ecosystem) by incorporating a new entity as a 100% affiliate with the purpose of providing this segment the flexibility to expand to new markets. As far as Cyber is concerned, we can provide our core services without any geographical limitations, Angel being a great example, having as a priority to serve our international clients across all their subsidiaries. However due to COVID-19, as described in Section H the Company's business development may be adjusted to the pandemic conditions.

COVID-19 impact

The coronavirus (COVID-19) emerged as a global pandemic in the first quarter of 2020 and has affected business and economic activity around the world, including Greece and Cyprus. The Company responded quickly with a focus on the safety and well-being of its employees, customers and partners and has not suspended its activities, although some business activities have been limited depending on the suspension of certain customers' activities. Neurosoft implemented robust business continuity plans and took actions on its cost structure to preserve liquidity in the current environment. Based on current data, the Company's financial performance was not significantly affected during the year ended December 31, 2020.

Additionally, the Company took advantage of limited government supporting measures, such as tax reliefs or tax offset advantages and rent reduction payments to strengthen its liquidity. The Company has implemented a cross functional, company-wide COVID-19 response team focused on addressing the impact of the global pandemic on our employees, customers, liquidity, financial position and continuity of services. The Company has implemented travel restrictions, remote working and specific health and safety measures. Neurosoft has also introduced a number of cost and capital expenditure reductions; as well as actions to increase liquidity and flexibility with a focus on effective working capital management.

The rapid increase of cases of COVID-19 pandemic in our country, since the beginning of October 2020, led the Government to impose a lockdown and restrictive measures to protect the health of citizens, to achieve the prevention of the increase of cases and to decompress the National Health System. The restrictive

measures for the whole country started on November 7, 2020 and are still in force. The magnitude of the impact on the economy cannot be accurately determined at this stage as we do not know how long the restrictive measures will last. To counter the health and economic aspects of the pandemic, governments have launched mass vaccination schemes currently in progress with the stated aim to cover the entire eligible population. In countries where vaccination population coverage has progressed, early signs are that it positively affected the severity of infections in terms of hospitalizations and symptoms experienced.

As the lockdown remains still in effect, 2021 carries a material degree of uncertainty and the Company cannot be certain how broad its effect will be in the progress of our business development strategy and on the Company's financial condition, liquidity, results of operations or cash flows.

For all the aforementioned reasons the Company has implemented a cross functional, company-wide COVID-19 response team focused on addressing the impact of the global pandemic on our employees, customers, liquidity, financial position and continuity of services. The Company has implemented travel restrictions, remote working and specific health and safety measures. Neurosoft has also introduced a number of cost and capital expenditure reductions; as well as actions to increase liquidity and flexibility with a focus on effective working capital management. The Company continues to monitor the extent of the coronavirus (COVID-19) global pandemic and its impact on the business, financial condition, liquidity, results of operations, and cash flows. The Management expects that the Company will be enabled to meet the financing costs and working capital needs, and its ability to continue as going concern will not be affected.

Important related party transactions

Related parties transactions have been identified based on the requirements of IAS 24 "Related Party Disclosures" and Neurosoft procedure for Transaction with Related Parties and are presented in the Financial Statements accordingly.

During the 2020, the related party transactions referring to provision of Neurosoft services in the normal course of business, were equal to 8,1 million euro. The Company has adopted the rules provided by the applicable legislation and AIM rules. In particular, these transactions took place at arm's length (market conditions basis), within the case of exclusion pursuant to art. 2, lett. e) of Neurosoft Procedure for Transaction with Related Parties and in compliance with art. 7, lett. c) of AIM Italia Provisions on Related Party Transactions.

General Outlook of Business Development

Fintech offering ecosystem evolution: 2020 was a crossroad year resulting into getting Emirates NBD Payables module live in September, on time and budget, the largest multinational client the Unit had which included Proxima+, Tesla Radius, Self-Onboarding module and Ergodicity Machine Learning module. It was also a year that although hindered by the pandemic, the delivery teams, with the early adoption of cloud

technologies, showed resilient and adaptability to the new environment. At the same time the company completed the dynamic discounting implementation including early payments and extended terms as well negotiation model. The Dynamic Discounting platform - CONFIRM is based now on open Blockchain technology (Hyperledger fabric) and Open DB architecture allowing its deployment to any standard Cloud infrastructure such as Azure and AWS. No further development is foreseen on the gaming side, but technology, know-how and engineering capacity have been fully migrated in the fintech ecosystem. The Company is planning to separate this Fintech segment through a spin off which will be contributed to a new company that will be incorporated with the Company holding the 100% of the share capital. This action will provide Fintech segment with the flexibility to expand.

Cyber Security offering evolution: On the Cyber Defense side, 2020 efforts were focused on the enhancement of our core solutions Angel, Illicium and Neutrify, which are all already interoperable. Angel v2.0 was successfully introduced incorporating the latest version of Illicium and Vulnerability Assessment features leading to a commercial success exceeding the initial forecast. Illicium, embedded in both Angel and Neutrify, was marketed in existing and new customers adding significant value to our offering lines. New feature design and enhanced reporting development have started in Q4 and are expected to be in production by mid-2021. In a continuous effort to excel in Cyber Defence, a Threat Intelligence monitoring has been developed in Q2 and commercially launched in September. Neurosoft's advanced Threat Intelligence service consists of processes for collecting, producing and disseminating tactical and strategic intelligence, continually augmented with timely situational awareness by the use of proprietary tools and high-end platforms. The value of the services has been successfully demonstrated to the market through several Threat Intelligence assessments that will definitely lead to monitoring contracts in early 2021. Having IoT and OT networks already in a modern environment, Neurtify had to be ready to extend monitoring and analytics capacity to cover the evolving needs for Cyber defence. Development and integration of technology, platform, processes, and policies in our SOC services were concluded in Q4. Finally, RedOps Labs were introduced Q2 with an initial goal to identify and report vulnerabilities to Tier-1 and Tier-2 vendors. Research results were outstanding with 100% of our reports confirming valid vulnerabilities, 8 CVE numbers published until now while we achieved the BugCrowd MVP status. Not all of our research is going public, giving additional value to our Blue and Red teams.

Systems Engineering Infrastructure-as-a-Service (IaaS) evolution: The Enterprise Link offering has received positive feedback from the Company's Customer base, and we have managed to position the service in certain major accounts. However, because of the pandemic we have seen postponement of deployment plans because of the overall retail slowdown. The IaaS business paradigm that has overwhelmed the IT global landscape seems to be gaining ground on Branch Networking as well. Enterprise Link evolution from SD-WAN to SD-Branch, albeit strategically planned from the beginning, was simply accelerated as an offering to Customers. There is a breadth of additional technological elements that have already been added to the Service, namely Wired and Wireless (LAN / WLAN) local Networks as-a-Service together with

User Authentication adding even more granular security and traffic management capabilities. Apart from the technological service enhancements, Enterprise Link is also offering 24x7 Network Operations (NOC.asS) either to supplement existing Customer Operation beyond normal working hours or assume the workload completely on a 24x7 basis.

General Outlook of Offering Development

Fintech: Holding a significant position in the domestic market, the target for 2020 was to capitalize on the successful UAE business case for GCC and European markets. The covid pandemic has significantly affected our business development model which was based in International Events and business travelling. Efforts to support pipeline and sales activities via video calls was a challenge taking into consideration that Proxima is a core system for our Financial Services customers. As above mentioned the Company is planning for flexibility purposes to spin off this segment and contribute it to a new company that will be incorporated as a 100% affiliate.

Cyber Security: Our core offensive (RedyOps) and defensive (Neutrify, Angel, Illicium) offerings were the key drivers for 2020 despite the slowdown in Q2 due to the covid pandemic, shifting our focus in our home market i.e. Greece & Cyprus. On the Compliance & Risk side the biggest contributor has been our security awareness services with the use of top-Gartner platform. Our Enterprise customer base has been further developed through up-selling activities but also x-selling with the Systems Engineering offering resulting in E2E frame agreements. Starting with the major ID project opportunity that includes a significant Cyber operation, other prospects have been pursued mainly in Q4 resulting to a solid project pipeline for 2021. In the maritime market, Angel is considered by many as the cyber standard, confirming the rightness of our decision to partner with Navarino. Expanding the Angel service from ship to shore (Angel at the office) was the obvious step and is expected to bring additional revenue.

Systems Engineering: It has been a very demanding and unprecedented year. New Customer meetings were more difficult to arrange from one hand with specific needs that emerged and had to be dealt with in a swift manner on the other. Our main areas of focus were mostly around strengthening our company-wide Enterprise portfolio for existing but also new Customers, trying to obtain economies of scale and breadth of portfolio arising from intensifying internal collaboration. The primary targets for the Private Sector were large Enterprise customers and specific vertical SMBs like maritime and legal for instance. In order to further expand our market reach and time-to-market, we have sought alliances with Telecom Service Providers (Wind, Forthnet) which seem very promising for 2021. We additionally organized our internal Bidding Operations aiming at upcoming Governmental tenders. We participated, among others, in one of the largest IT&T tenders of the last decades concerning national IDs forming alliances that are very promising for even more targeted and high-budget E2G tenders.

Auditor's opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2020, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

It is specified that Neurosoft Separate and Consolidated Annual Financial Reports (including the results for its subsidiaries, Neurosoft Cyber and Analytics Ltd, Daedalus Technologies FZCO, Neurosoft Cyprus Ltd and Neurosoft Romania S.r.l.) of Neurosoft S.A. on December 31st, 2020 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.

B: FINTECH AND ANALYTICS SPIN OFF

The Board of Directors decided to start the demerge by way of spin off its Fintech & Analytics segment and its contribution into a new entity to be incorporated into a Societe Anonyme, 100% Subsidiary of Neurosoft S.A. ("TensorFin Single Member Societe Anonyme"). This spin off and its corresponding contribution to the new company will be carried out pursuant to the provisions of Law 4601/2019 and 4172/2013 as well L. 4548/2018. The 31.12.2021 has been set as the transformation balance sheet date for the valuation of assets of the spin off segment.

This spin off essentially aims at the organizational segregation and at the specialization of the Company's business activities.

The spin off process is expected to be completed within the first half of 2021 subject to the approval of the decision by the EGM of the Company and the receipt of all required approvals by the competent supervisory authorities.

"Today's announcement demonstrates our commitment to maximizing long-term value for all of our shareholders, customers and employees. We believe that our Fintech business can be more effective as a standalone company, with greater focus on investment opportunities and operational efficiency. The Fintech segment is in a better position today to accelerate its growth margin, expand its business portfolio and pursue M&A opportunities ", commented Nodas Paschalidis, CEO of Neurosoft.

Nikolaos Vasilonikolidakis will be appointed as President and Chief Executive Officer of TensorFin upon completion of the transaction. Mr. Vasilonikolidakis is one of Neurosoft's founders and currently serves as Executive Chairman of the Board.

Mr. Vasilonikolidakis stated, "I am excited to lead our Fintech business as a standalone company. As a team we shall continue to stand steadfast to our devotion to enhanced customer experience, continuous product development shored up with technological coherence. My intention is to transform this new endeavor into the Fintech fulcrum of Neurosoft aggregating and applying disruptive technologies and at the same time continue

delivering world-class solutions to our local and international customers. Our decision is a great opportunity to make a standpoint and excel in this exciting segment. The team and I feel confident that, through these challenging times, our customers can feel that they are still in good hands and new exciting things are coming."

TensorFin

TensorFin, being a premier software house and having a complete product portfolio shall serve the banking and supply chain finance sector. TensorFin will integrate all business and operational aspects of Neurosoft's current Fintech segment. The segment generated revenue of nearly 0.64 (2020), consists of 16 employees and demonstrates a track record of local and international projects.

The following documents will be available to the Company's site www.neurosoft.gr and to the Company's offices (466 Irakleiou Ave, Irakleio Attica) to the Shareholders for at least 30 days before the Extraordinary Shareholders Meeting to be held on May 21st, 2021 to this respect:

1. The Draft Demerger Deed
2. The BoD report for the Demerger and the Opinion on the above Draft issued by a certified auditors pursuant to the provisions of article 62 of L. 4601/2019
3. The Auditors Report for the valuation of the demerged segment as well the Transformation Balance Sheet dated 31.12.2020
4. The Annual Financial Statements and the related BoD reports of the last 3 fiscal years

C: CALL FOR EGM

By decision of the Board of Directors of the Company and in accordance with the applicable law and its Articles of Association, the Shareholders of the Company are invited to an Extraordinary General Meeting on Friday, May 21st, 2021, at 10:00 am, at the registered offices of the Company, 466 Irakliou Avenue & Kiprou str., Iraklio Attikis, to discuss and pass a resolution on the following Daily Agenda items:

DAILY AGENDA

ITEM 1st : Submission and approval of a) the Demerge Draft Deed dated 19.04.2021 of the company named NEUROSOFT SOFTWARE PRODUCTION SOCIETE ANONYME by way of spin off of a segment and its contribution to a new company pursuant to the provisions of article 57 par. 3 of the L. 4601/2019 as well the provisions of L. 4548/2018, as in force, b) the Report of the Board of Directors on the above Demerge Draft D and c) the report of the Certified Auditors with includes the validation of the segment in accordance with article 17 of L. 4548/2018 and the examination of the Demerge Draft terms as of the provisions of article 62 of L. 4601/2019 .

ITEM 2nd : Approval of the Demerge by way of spin off of the specific segment and its contribution to a new company to be incorporated in accordance to the provisions of article 57 par. 3 of L. 4601/2019 and the provisions of L. 4548/2018, as in force.

ITEM 3rd : Appointment of the Company' s representative to sign before a notary public the notarial deed of the demerge by way of spin off and the incorporation of the new societe anonyme.

In case of failure to achieve the quorum required by law, the Board of Directors hereby invites the Shareholders of the Company to the first Adjourned Extraordinary General Meeting on Thursday, June 10th, 2021, at 10:00 a.m. at the aforementioned address.

According to articles 121 par. 3 and 4 and 124 par. 4 of the Law 4548/2018, the Company informs its Shareholders of the following:

I. Right to participate and vote in the General Meeting

Each share carries the right to one (1) vote. Only natural or legal persons appearing as shareholders of the Company at the beginning of the fifth (5th) day prior to the meeting, namely on May 14th, 2021, provided it is a working day, otherwise on the previous working day (record date), have the right to participate and vote in the General Meeting. The certificate issued by the authorized intermediaries must reach the Company no later than the third (3rd) working day prior to the General Meeting, namely on May 18th, 2021. In case of an Adjourned Extraordinary General Meeting, the certificate must reach the company until June 7st , 2021. Only registered shareholders of the Company on the record date are entitled to attend and vote in the General Meeting. In case of non-compliance with the provisions of article as above mentioned shareholders may participate in the General Meeting only with the consent of the General Meeting. The exercise of these rights does not require blocking of shares or any other similar process, which limits the ability to sell and transfer shares in the time period between the record date and the date of the General Meeting.

II. Procedure for the exercise of voting rights through representatives (proxy)

Eligible shareholders may participate in the General Meeting in person or through lawfully authorized representatives. Each shareholder may appoint up to three (3) representatives. Legal persons may participate in the General Meeting by appointing up to three (3) natural persons as representatives. An authorized representative who acts for and on behalf of more than one shareholder may vote for each one separately. A proxy form for the appointment of representatives is available to shareholders on the Company's website (www.neurosoft.gr) and in hard copy at the Investor Relations Department (466, Irakliou Ave. & Kiprou str., Iraklio Attikis). The said proxy form should be submitted, completed and signed by the shareholder, to the Accounting Department of the Company at Iraklio Attikis (466, Irakliou Ave. & Kiprou str.) or sent by fax to +30 210-6855033 three (3) days prior to the date of the Extraordinary General Meeting namely on May 18th 2021 (at least 48 hours prior to the General Meeting according to the provisions of Law 4548/2018 art. 128). Shareholders are requested to ensure the successful delivery of the authorization form and the receipt of the document by the Company by calling the phone number +30 210-6855061 during working days and hours. The appointment and the removal of representatives shall be in writing and notified to the Company's offices at the

above address at least forty eight (48) hours prior to the date of the Shareholders' General Meeting, namely until May 18th, 2021, for the initial Meeting and until May 7st , 2021 for any adjourned General Meeting.

Shareholders' representatives are obliged to notify the Company, before the commencement of the General Meeting, of any fact, which can be useful to the shareholders for the evaluation of the risk of representatives serving other interests than those of the shareholders they represent. Pursuant to the above, a conflict of interests may arise in particular when the representative: a) is a shareholder who has control over the Company or other legal person or entity controlled by such a shareholder, or b) is a member of the Board of Directors or of the management of the Company or of a shareholder that has control over the Company or other legal person or entity controlled by a shareholder who controls the Company or c) is an employee or an auditor of the Company or of a shareholder who has control over the Company or other legal person or entity controlled by a shareholder who has control over the Company, or d) is a spouse or first-degree relative of one of the natural persons referred to in cases (a) to (c).

III. Minority shareholders' rights

According to article 141 par. 2,3,6 and 7 of the Law 4548/2018, shareholders have, inter alia, the following rights:

- i. Shareholders representing 1/20 of the paid-up share capital of the company have the right to request that the Board of Directors include additional items in the agenda of the General Meeting, upon relevant request which must be received by the Board at least fifteen (15) days prior to the General Meeting, i.e. until May 5th, 2021. The request for additional items in the agenda shall be accompanied by a justification or a draft resolution to be approved at the General Meeting. The revised agenda is published in the same way as the previous agenda, thirteen (13) days prior to the date of the General Meeting according to the provisions of Law 4548/2018 article 141 par. 2, i.e. until May 7th, 2021, provided it is a working day, otherwise on the previous working day, and will also be made available to shareholders on the Company's website, along with the justification or the draft resolution submitted by shareholders in accordance with the Law 4548/2018 article 141 par. 2.
- ii. Upon request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors shall make available to shareholders, as defined in the Law 4548/2018 article 141 par. 2, at least six (6) days prior to the date of the General Meeting, i.e. until May 14th, 2021, draft resolutions for items included in the original or revised agenda, if the request is received by the Board seven (7) days prior to the General Meeting, i.e. until May 13th, 2021.
- iii. Upon request of any shareholder, submitted to the Company within at least five (5) full days prior to the General Meeting, i.e. until May 14th, 2021, provided it is a working day, otherwise on the previous working day, the Board of Directors is obliged to provide the General Assembly with the specific information requested regarding the Company's business, insofar as it is useful for the real assessment of the items on the agenda. The Board of Directors may respond comprehensively to shareholders' requests with the same content. An obligation to provide information does not apply when the relevant information is available on the Company's website, especially in the form of questions and answers. The Board of Directors may refuse to provide information on due cause which is stated in the Minutes.

iv. Upon request of shareholders representing the 1/20 of the paid –up share capital (according the Law 4548/2018) which is submitted to the Company at least five (5) full days prior to the General Meeting, i.e. until May 14th, 2021, provided it is a working day, otherwise on the previous working day, the Board of Directors must provide the General Meeting with information on the progress of the corporate business and the assets of the Company. The Board of Directors may refuse to provide information on due cause, which is stated in the Minutes. Also, upon request of shareholders representing one twentieth (1/20) of the paid-up share capital, the Board of Directors must notify the General Meeting of the amounts paid to each Board member or the Directors of the Company over the last two years, as well as of any payment made to such persons for any reason or contract between them and the Company.

Similar time limits for the exercise of shareholders’ minority rights also apply in the case of Adjourned General Meetings. To exercise any of the rights, the applicant shareholders must prove their capacity as shareholders and the number of shares held when exercising the relevant right. The attestation from the Intermediary or the certificate of the capacity as shareholder through a direct electronic link between the Intermediary and the Company constitutes such evidence.

IV. Available documents and information

The information according to the Law 4548/2018 article 121 par. 4 and 123 par.3, 4 including this invitation, the proxy form and the draft resolutions on the daily agenda items, will be available in electronic form on the Company's website (<http://www.neurosoft.gr>). The full text of the draft resolutions and any documents specified in the provisions of the above mentioned law will also be available to shareholders in hard copy, upon request, at the Investor Relations Department of the Company.

For further details or information please contact the Investor Relations Department, tel.: +30 210 6855061, fax +30 210 6855033, working days and hours.

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 hackers, Neurosoft has compiled a suite of practical and technologically advanced tools and methods to significantly enhance the protection of your mission-critical data

- **Systems 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

For further information please contact:

INVESTOR RELATIONS

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NOMAD

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STATEMENT OF FINANCIAL POSITION

| | Note | GROUP | | COMPANY | |
|-------------------------------------|------|------------------|-------------------|------------------|-------------------|
| | | 31.12.2020 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant & equipment | 6 | 479,123 | 442,644 | 479,123 | 442,644 |
| Right-of-use assets | 7 | 913,666 | 1,154,676 | 913,666 | 1,154,676 |
| Intangible assets | 8 | 2,033,206 | 3,278,873 | 2,033,206 | 3,278,873 |
| Goodwill | 9 | 113,408 | - | - | - |
| Investments in subsidiaries | 10 | - | - | 398,799 | 542,931 |
| Other non - current assets | 11 | 93,025 | 146,939 | 93,025 | 146,939 |
| | | 3,632,428 | 5,023,132 | 3,917,820 | 5,566,063 |
| Current assets | | | | | |
| Inventories | 12 | 147,484 | 814,386 | 147,484 | 814,386 |
| Trade receivables | 13 | 4,115,743 | 3,837,180 | 4,052,314 | 3,837,180 |
| Other current assets | 14 | 655,940 | 978,394 | 577,585 | 1,091,213 |
| Restricted cash | | 2,259 | 2,259 | 2,259 | 2,259 |
| Cash and cash equivalents | 15 | 1,009,325 | 1,860,130 | 989,903 | 1,731,947 |
| | | 5,930,751 | 7,492,349 | 5,769,545 | 7,476,985 |
| Total assets | | 9,563,180 | 12,515,481 | 9,687,365 | 13,043,048 |
| EQUITY | | | | | |
| Share capital | 16 | 8,954,608 | 8,954,608 | 8,954,608 | 8,954,608 |
| Share premium | | 600,000 | 600,000 | 600,000 | 600,000 |
| Reserves | 17 | 373,272 | 377,638 | 377,638 | 377,638 |
| Retained earnings | | (6,915,731) | (4,273,241) | (6,645,515) | (3,525,671) |
| Total equity | | 3,012,149 | 5,659,005 | 3,286,731 | 6,406,575 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | 18 | 389,392 | 481,013 | 389,392 | 481,013 |
| Lease liabilities | 7 | 352,225 | 842,454 | 352,225 | 842,454 |
| Deferred tax liabilities | 19 | 354,629 | 595,833 | 354,629 | 595,833 |
| Employee benefit plans | 20 | 300,220 | 225,447 | 300,220 | 225,447 |
| Other non-current liabilities | 21 | 137,601 | - | 137,601 | - |
| | | 1,534,067 | 2,144,747 | 1,534,067 | 2,144,747 |
| Current liabilities | | | | | |
| Trade payables | 22 | 1,757,824 | 1,745,970 | 1,757,824 | 1,742,751 |
| Borrowings | 18 | 371,622 | 371,622 | 371,622 | 371,622 |
| Lease liabilities | 7 | 586,118 | 327,149 | 586,118 | 327,149 |
| Provisions | 23 | 13,900 | - | 13,900 | - |
| Income tax liabilities | | 54,336 | 54,336 | 54,336 | 54,336 |
| Other tax liabilities | 24 | 775,352 | 710,393 | 761,380 | 713,961 |
| Other current liabilities | 25 | 1,457,813 | 1,502,259 | 1,321,388 | 1,281,910 |
| | | 5,016,964 | 4,711,729 | 4,866,568 | 4,491,727 |
| Total liabilities | | 6,551,031 | 6,856,476 | 6,400,635 | 6,636,475 |
| Total equity and liabilities | | 9,563,180 | 12,515,481 | 9,687,365 | 13,043,048 |

GROUP

COMPANY

| | Note | 31.12.20 20 | 31.12.2019 | 31.12.2020 | 31.12.2019 |
|-------------------------------------|------|------------------|-------------------|------------------|-------------------|
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant & equipment | 6 | 479,123 | 442,644 | 479,123 | 442,644 |
| Right-of-use assets | 7 | 913,666 | 1,154,676 | 913,666 | 1,154,676 |
| Intangible assets | 8 | 2,033,206 | 3,278,873 | 2,033,206 | 3,278,873 |
| Goodwill | 9 | 113,408 | - | - | - |
| Investments in subsidiaries | 10 | - | - | 398,799 | 542,931 |
| Other non-current assets | 11 | 93,025 | 146,939 | 93,025 | 146,939 |
| | | <u>3,632,428</u> | <u>5,023,132</u> | <u>3,917,820</u> | <u>5,566,063</u> |
| Current assets | | | | | |
| Inventories | 12 | 147,484 | 814,386 | 147,484 | 814,386 |
| Trade receivables | 13 | 4,115,743 | 3,837,180 | 4,052,314 | 3,837,180 |
| Other current assets | 14 | 655,940 | 978,394 | 577,585 | 1,091,213 |
| Restricted cash | | 2,259 | 2,259 | 2,259 | 2,259 |
| Cash and cash equivalents | 15 | 1,009,325 | 1,860,130 | 989,903 | 1,731,947 |
| | | <u>5,930,751</u> | <u>7,492,349</u> | <u>5,769,545</u> | <u>7,476,985</u> |
| | | <u>9,563,180</u> | <u>12,515,481</u> | <u>9,687,365</u> | <u>13,043,048</u> |
| Total assets | | <u>0</u> | <u>12,515,481</u> | <u>9,687,365</u> | <u>13,043,048</u> |
| EQUITY | | | | | |
| Share capital | 16 | 8,954,608 | 8,954,608 | 8,954,608 | 8,954,608 |
| Share premium | | 600,000 | 600,000 | 600,000 | 600,000 |
| Reserves | 17 | 373,272 | 377,638 | 377,638 | 377,638 |
| | | (6,915,731) | | | |
| Retained earnings | | 1) | (4,273,241) | (6,645,515) | (3,525,671) |
| | | <u>3,012,141</u> | <u>5,659,005</u> | <u>3,286,731</u> | <u>6,406,575</u> |
| Total equity | | <u>9</u> | <u>5,659,005</u> | <u>3,286,731</u> | <u>6,406,575</u> |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | 18 | 389,392 | 481,013 | 389,392 | 481,013 |
| Lease liabilities | 7 | 352,225 | 842,454 | 352,225 | 842,454 |
| Deferred tax liabilities | 19 | 354,629 | 595,833 | 354,629 | 595,833 |
| Employee benefit plans | 20 | 300,220 | 225,447 | 300,220 | 225,447 |
| Other non-current liabilities | 21 | 137,601 | - | 137,601 | - |
| | | <u>1,534,067</u> | <u>2,144,747</u> | <u>1,534,067</u> | <u>2,144,747</u> |
| Current liabilities | | | | | |
| Trade payables | 22 | 1,757,824 | 1,745,970 | 1,757,824 | 1,742,751 |
| Borrowings | 18 | 371,622 | 371,622 | 371,622 | 371,622 |
| Lease liabilities | 7 | 586,118 | 327,149 | 586,118 | 327,149 |
| Provisions | 23 | 13,900 | - | 13,900 | - |
| Income tax liabilities | | 54,336 | 54,336 | 54,336 | 54,336 |
| Other tax liabilities | 24 | 775,352 | 710,393 | 761,380 | 713,961 |
| Other current liabilities | 25 | 1,457,813 | 1,502,259 | 1,321,388 | 1,281,910 |
| | | <u>5,016,964</u> | <u>4,711,729</u> | <u>4,866,568</u> | <u>4,491,727</u> |
| | | <u>6,551,034</u> | <u>6,856,476</u> | <u>6,400,635</u> | <u>6,636,475</u> |
| Total liabilities | | <u>1</u> | <u>6,856,476</u> | <u>6,400,635</u> | <u>6,636,475</u> |
| | | <u>9,563,180</u> | <u>12,515,481</u> | <u>9,687,365</u> | <u>13,043,048</u> |
| Total equity and liabilities | | <u>0</u> | <u>12,515,481</u> | <u>9,687,365</u> | <u>13,043,048</u> |

The notes on pages Error! Bookmark not defined.4 to 89 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

| | Note | GROUP | | COMPANY | |
|---|------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 01.01.2020 - 31.12.2020 | 01.01.2019 - 31.12.2019 | 01.01.2020 - 31.12.2020 | 01.01.2019 - 31.12.2019 |
| Revenue | 5 | 14,738,212 | 14,896,621 | 14,659,907 | 14,898,575 |
| Cost of sales | 26 | (14,112,054) | (13,598,113) | (13,991,256) | (13,481,790) |
| Gross profit | | 626,159 | 1,298,508 | 668,651 | 1,416,785 |
| Distribution expenses | 26 | (1,266,907) | (1,369,543) | (1,424,613) | (1,357,458) |
| Administrative expenses | 26 | (2,321,046) | (2,175,869) | (2,297,514) | (2,153,208) |
| Impairment of investment in subsidiary | 10 | - | - | (300,000) | (270,570) |
| Impairment of intangible assets | 8 | (261,088) | (649,646) | (261,088) | (649,646) |
| Other income / (expenses) - net | 27 | 453,564 | 13,393 | 363,878 | (45,404) |
| Operating loss | | (2,769,318) | (2,883,158) | (3,250,687) | (3,059,501) |
| Finance income | 28 | 16,132 | 221 | 16,132 | 221 |
| Finance expenses | 28 | (99,484) | (109,974) | (95,469) | (107,729) |
| Loss before income tax | | (2,852,670) | (2,992,911) | (3,330,024) | (3,167,009) |
| Income tax | 30 | 233,759 | 374,314 | 233,759 | 374,314 |
| Net loss for the year (A) | | (2,618,912) | (2,618,596) | (3,096,265) | (2,792,694) |
| Other comprehensive income | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | |
| Actuarial (losses) / gains | 20 | (31,024) | 11,777 | (31,024) | 11,777 |
| Related tax | 30 | 7,446 | (689) | 7,446 | (689) |
| Total items that will not be reclassified to profit or loss | | (23,579) | 11,088 | (23,579) | 11,088 |
| Items that may be reclassified subsequently to profit or loss: | | | | | |
| Exchange differences on translation of foreign operations | | (4,366) | - | - | - |
| Total items that may be reclassified to profit or loss | | (4,366) | - | - | - |
| Other comprehensive loss for the year, net of tax | | (27,945) | 11,088 | (23,579) | 11,088 |
| Total comprehensive loss (after tax) (A)+(B) | | (2,646,856) | (2,607,508) | (3,119,844) | (2,781,606) |
| Loss for the year attributable to: | | | | | |
| Equity holders of the parent | | (2,618,912) | (2,618,596) | (3,096,265) | (2,792,694) |
| Non-controlling interests | | - | - | - | - |
| | | (2,618,912) | (2,618,596) | (3,096,265) | (2,792,694) |
| Total comprehensive loss for the year attributable to: | | | | | |
| Equity holders of the parent | | (2,646,856) | (2,607,508) | (3,119,844) | (2,781,606) |
| Non-controlling interests | | - | - | - | - |
| | | (2,646,856) | (2,607,507) | (3,119,844) | (2,781,606) |
| 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 | 25,584,594 | 25,584,594 | 25,584,594 | 25,584,594 |
| Loss per share (basic and diluted) | (0.1024) | (0.1024) | (0.1210) | (0.1092) |

STATEMENT OF CHANGES IN EQUITY

GROUP

| | Note | Attributable to owners of the parent | | | | Non-controlling interests | Total equity | |
|---|------|--------------------------------------|----------------|----------------|--------------------|---------------------------|--------------|--------------------|
| | | Share capital | Share premium | Reserves | Retained earnings | | | Total |
| 1 January 2019 | | 8,954,608 | 600,000 | 377,638 | (1,683,356) | 8,248,890 | 17,623 | 8,266,512 |
| Net loss for the year | | - | - | - | (2,618,596) | (2,618,596) | - | (2,618,596) |
| Other comprehensive income | 30 | - | - | - | 11,088 | 11,088 | - | 11,088 |
| Total comprehensive loss for the year (net of tax) | | - | - | - | (2,607,508) | (2,607,508) | - | (2,607,508) |
| Transfers | | | | | 17,623 | 17,623 | (17,623) | |
| 31 December 2019 | | 8,954,608 | 600,000 | 377,638 | (4,273,242) | 5,659,005 | - | 5,659,005 |
| 1 January 2020 | | 8,954,608 | 600,000 | 377,638 | (4,273,242) | 5,659,005 | - | 5,659,005 |
| Net loss for the year | | - | - | - | (2,618,912) | (2,618,912) | - | (2,618,912) |
| Other comprehensive loss | 30 | - | - | (4,366) | (23,579) | (27,945) | - | (27,945) |
| Total comprehensive loss for the year (net of tax) | | - | - | (4,366) | (2,642,490) | (2,646,856) | - | (2,646,856) |
| 31 December 2020 | | 8,954,608 | 600,000 | 373,272 | (6,915,732) | 3,012,148 | - | 3,012,148 |

COMPANY

| | Note | Share capital | Share premium | Reserves | Retained earnings | Total |
|---|------|------------------|----------------|----------------|--------------------|--------------------|
| 1 January 2019 | | 8,954,608 | 600,000 | 377,638 | (744,065) | 9,188,181 |
| Net loss for the year | | - | - | - | (2,792,694) | (2,792,694) |
| Other comprehensive income | 30 | - | - | - | 11,088 | 11,088 |
| Total comprehensive loss for the year (net of tax) | | - | - | - | (2,781,606) | (2,781,606) |
| 31 December 2019 | | 8,954,608 | 600,000 | 377,638 | (3,525,671) | 6,406,575 |
| 1 January 2020 | | 8,954,608 | 600,000 | 377,638 | (3,525,671) | 6,406,575 |
| Net loss for the year | | - | - | - | (3,096,265) | (3,096,265) |
| Other comprehensive loss | 30 | - | - | - | (23,579) | (23,579) |
| Total comprehensive loss for the year (net of tax) | | - | - | - | (3,119,844) | (3,119,844) |
| 31 December 2020 | | 8,954,608 | 600,000 | 377,638 | (6,645,516) | 3,286,730 |

CASH FLOW STATEMENT

| | Note | GROUP | | COMPANY | |
|---|-------|----------------------------|----------------------------|----------------------------|----------------------------|
| | | 01.01.2020 - 31.12.2020 | 01.01.2019 - 31.12.2019 | 01.01.2020 - 31.12.2020 | 01.01.2019 - 31.12.2019 |
| Operating activities | | | | | |
| Loss before tax | | (2,852,670) | (2,992,911) | (3,330,024) | (3,167,009) |
| Adjustments for: | | | | | |
| Depreciation and amortization | 6,7,8 | 1,585,615 | 1,952,579 | 1,585,615 | 1,952,579 |
| Impairment of investment in subsidiary | 10 | - | - | 300,000 | 270,570 |
| Impairment of intangible assets | 8 | 261,088 | 649,646 | 261,088 | 649,646 |
| Impairment of inventory | 26 | 552,118 | 49,259 | 552,118 | 49,259 |
| Provisions for doubtful debts | 26 | 29,016 | 85,696 | 199,273 | 85,696 |
| Employee benefit plans | 29 | 137,864 | 127,856 | 137,864 | 127,856 |
| Net finance expenses | 28 | 83,352 | 109,753 | 79,337 | 107,508 |
| Provisions for legal cases | 27 | 13,900 | - | 13,900 | - |
| Rent concessions | | (24,255) | - | (24,255) | - |
| Gain on early termination of leases | | (2,780) | - | (2,780) | - |
| Other movements relating to leases | | 3,006 | - | 3,006 | - |
| Changes in working capital: | | | | | |
| Decrease in inventories | | 114,784 | (56,050) | 114,784 | (56,050) |
| Decrease / (increase) in receivables | | 29,094 | (520,212) | 103,136 | (515,585) |
| (Decrease) / increase in payables | | (37,158) | 967,626 | 76,431 | 753,919 |
| Payment for staff indemnity | | (86,494) | (99,006) | (86,494) | (99,006) |
| Less: | | | | | |
| Interest and other finance expenses paid | | (94,736) | (95,574) | (90,721) | (93,329) |
| Net cash flows (used in) / generated from operating activities | | (288,257) | 178,665 | (107,722) | 66,056 |
| Investing activities | | | | | |
| Additional consideration for the acquisition of subsidiary | 9 | (20,000) | - | (20,000) | - |
| Share capital increase of subsidiary | 10 | - | - | (70,000) | - |
| Purchase of property, plant and equipment and intangible assets | | (247,241) | (762,690) | (247,241) | (762,690) |
| Cash acquired on acquisition of subsidiary | 9 | 6,140 | - | - | - |
| Interest received | | 261 | 221 | 261 | 221 |
| Net cash flows used in investing activities | | (260,840) | (762,469) | (336,980) | (762,469) |
| Financing activities | | | | | |
| Proceeds from borrowings | | - | 100,000 | - | 100,000 |
| Repayments of borrowings | | (91,622) | (91,622) | (91,622) | (91,622) |
| Repayment of lease liabilities | | (356,494) | (348,697) | (356,494) | (348,697) |
| Receipt of repayable state cash advance | | 150,774 | - | 150,774 | - |
| Net cash flows used in financing activities | | (297,342) | (340,319) | (297,342) | (340,319) |
| Net decrease in cash and cash equivalents | | (846,438) | (924,124) | (742,044) | (1,036,731) |
| Cash and cash equivalents at beginning of year | | 1,860,130 | 2,784,254 | 1,731,948 | 2,768,679 |
| Foreign exchange gains | | (4,366) | - | - | - |
| Cash and cash equivalents at the end of the year | | 1,009,326 | 1,860,130 | 989,904 | 1,731,948 |