ANNUAL

FINANCIAL REPORT

For the year

ended December 31, 2021

CONTENTS OF ANNUAL FINANCIAL REPORT

STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

The following statements are given by the following Members of the Board of Directors of the Company:

1. Anastasia Verra, Chairman of the BoD
2. Epameinondas Paschalidis, CEO

The undersigned, in our above-mentioned capacity, as specifically appointed by the Board of Directors of the societe anonyme company under the name "Neurosoft Software Production Societe Anonyme" (hereinafter referred to as the "Company" or as "Neurosoft"), we state, and we assert that to the best of our knowledge:

(a) The annual financial statements (Consolidated and Separate) of the society anonyme company under the name "Neurosoft Software Production Societe Anonyme" for the period from 1 January 2021 to 31 December 2021, which have been prepared in accordance with the applicable International Financial Reporting Standards, as adopted by the European Union, provide a true and fair view of the assets and liabilities, the owners' equity and the results of the Company and the Group and

(b) The enclosed annual Report of the Board of Directors of the Company provide a true and fair view of the evolution, performance and the financial position of the Company and the Group, including the description of the main risks and uncertainties they face and relevant information.

Iraklio, 18 April 2022

Anastasia Verra	Epameinondas Paschalidis
Chairman of the BOD	CEO of the Company

ANNUAL REPORT OF THE BOARD OF DIRECTORS
of «Neurosoft S.A. »

On the Consolidated and Separate Financial Statements

for the financial year from 1 January 2021 to 31 December 2021

This Annual Report of the Board of Director (hereinafter referred for brevity as the **"Report"** or **"Annual Report"**), refers to the fiscal year 2021 (01.01.2021-31.12.2021). It has been prepared in accordance with the provisions of Articles 150-154 of Law 4548/2018 and article 4 of Law 3556/2007 and 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» (hereafter 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 share capital;

(b) «Neurosoft Romania Srl headquartered in Romania, in which the Company holds a stake of 95% indirectly through its subsidiary Neurosoft Cyprus Ltd and Mr. Paschalidis hold the remaining 5%;

(c) Daedalus Technologies FZCO, headquartered in UAE, in which the Company held a stake of 100% of its share capital. On 11 October 2021 the Shareholders' General Meeting of NEUROSOFT S.A. approved the sale of 100% of the outstanding shares in Daedalus;

(d) TensorFin Software Production Single Member Société Anonyme, headquartered in Greece, in which the Company held a stake of 100% of its share capital. On 11 October 2021 the Shareholders' General Meeting of NEUROSOFT S.A. approved the sale of 100% of the outstanding shares in TensoFin.

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

SECTION A

Significant events that occurred during the year 2021

The significant events that occurred during the year 2021 (01.01.2021-31.12.2021) with calendar order, as well as any impact on the annual financial statements are summarized as follows:

1. Coronavirus (COVID-19) impact

The outbreak of coronavirus (COVID-19) impacted the global economy and increased the financial uncertainty. The restrictive measures and actions taken by the Government in response to the spread of COVID-19 during the first four months of 2021 have led to a significant disruption to the operations of many companies, especially those weighted towards retail and the those being part of the IT equipment Supply Chain. As the world shut down because of the COVID-19 pandemic, the increased demand for IT equipment and the low levels of supply rippled up the deliveries and a backlog of orders jeopardized the IT projects worldwide.

It is noted though, that having reached high immunity levels and decreased mortality rates, likewise other countries around the globe, Greece is gradually easing restrictions.

During 2021, Neurosoft continued to effectively manage the impact of the COVID-19 pandemic, prioritizing the safety and security of its employees and partners and ensuring the uninterrupted continuation of operations in all Business Lines in line with the Government's guidelines and best business practices. The Company has responded quickly and undertaken all necessary actions to minimize, as much as possible, the business disruption caused by the pandemic and acted with caution regarding the execution of its projects. Although, the Company's activities were not suspended, some of its business activities have been limited in some respects due to the suspension of certain customers' activities. However, the COVID-19 outbreak, has not materially affected our financial performance.

2. Disposal of subsidiaries

On 28 December 2020, the Board of Directors of the Company resolved to commence the process of a demerger by way of spin-off of the FINTECH sector and its contribution into a new entity. The demerger was approved by the Extraordinary General Meeting of Company's shareholders on 21 May 2021. The spin-off procedure was completed on 14 June 2021, upon registration in the Greek General Commercial Registry (G.E.MI.) of the beneficiary entity, a wholly-owned (100%) subsidiary of the Company under the corporate name "TensorFin Software Production Single Member Société Anonyme".

On 3 September 2021, a binding offer was received from a third party for the acquisition of 100% of Company's stake in the companies "TensorFin Single Member SA" and "Daedalus Technologies FZE". Specifically, a total consideration of up to €1,002,000 was offered by Qualco S.A. for the acquisition of 100% of "Tensorfin Single Member SA", out of which an amount of €702,000 was paid in cash while the remainder of €300,000 has been deferred to be paid upon Tensorfin's achievement of specific financial targets and pre-requisites for Fiscal Years 2022-2024. In addition to the above, the deferred consideration will be adjusted by an amount determined as 20% of EBITDA of the current Fiscal Year (2021). For the acquisition of 100% of the shares of "Daedalus Technologies FZE", a total cash consideration of €50,000 has been offered by the third party. The binding offer was approved by the Board of Directors on 9 September 2021 and on 11 October 2021 by the General Assembly.

This report accompanies the annual consolidated and separate financial statements for the fiscal year 2021 (01.01.2021-31.12.2021) and since the Company prepares consolidated financial statements, this report's main and primary reference is the consolidated financial data of the Company and its related companies. The report together with the financial statements and other information and statements required by law, are included in the Annual Financial Report for the fiscal year 2021.

3. ID Project

On 20 December 2019, the Greek Government had issued an RFP for the procurement, delivery and operation of an integrated online system for the issuance of secured documents (ID, Passport, driving license and Resident Permit). On 2 September 2020 Neurosoft participated in a consortium with the multinational Group Idemia and submitted its offer in the €515-million-euro tender following a demanding process. The offers are under technical evaluation. The Idemia Consortium proposal was initially rejected, however appeals have been lodged. The hearing at the Hellenic State Council was held on 13 March 2022 and the final decision is expected.

4. Offering Development

Following the decision to spin off and sale the Fintech & Analytics Segment, the Company focuses on ICT Infrastructure offering through E2E Managed Services.

4.1 Cyber Security offering evolution: On the Cyber Defence side, the Company is steadily progressing with the evolution of the core solutions Angel, Illicium and Neutrify, which are all already interoperable including OT monitoring module and the latest Threat Intelligence monitoring module. Having completed the first version of the Defence suite of Company started the development of the next era being a "hybrid" Security Operation Centre (SOC) over multi-SIEM platforms. Process commenced in Q4.2021 and is expected to be commercially available in Q2.2022. On the assessment side, enhancement of RedyOps Labs and automation of the assessment process have been the main targets in 2021. Research findings have been introduced to the Defence services providing additional and unique value to the customers.

4.2 Systems Engineering offering evolution: The key targets on offering evolution are (a) enhancing our Cloud portfolio and (b) increasing efficiency through technology for our Field Services.

On Cloud the key targets are twofold: (i) engage into a multi-cloud proposition, starting with Azure and AWS, with Security being our competitive advantage against competition. The evolution will inevitably involve all current solutions offerings, namely Systems, Networking and Cyber Security but also lead to the adoption of new manufacturers and solutions following swift technological enhancements. (ii) tighter integration between all verticals to enhance Customer Centricity especially for Operations Services with common factors like Security and Coverage, either with an element of Time (24x7) or Geographical coverage.

On Field Services, the aim is to leverage the scale and infrastructure already built in order to gain market share focusing on segments with presence across Greece. Significant projects have been won in the business fields of Public Transportation and Automatic Parcel Locker. The Company currently serves the largest APL network. In the forthcoming period the Company will concentrate on the capitalization of the gained experience and recognition, in order to achieve a successful market penetration in the food retail market and Banking sector and to further expand its business in the Transportation sector.

5. Business Development

Holding a leading position in the domestic ICT Infrastructure market, the Company has been targeting the Top-100 Enterprise segment. The value proposition has shifted from one-off Capex to recurring SaaS revenue streams. Capitalizing on the participation in the Secure ID Document RFP the Company has opened a pipeline for Public Sector projects in Greece and Cyprus mainly in the Network Security and Cyber Security areas.

The core Cyber offerings further developed in the existing customer base through up-selling activities and x-selling with the Systems Engineering offering. In the maritime market, Angel being certified by DNV, constitutes cyber standard for the industry, confirming the rightness of the decision to partner with Navarino. Angel expanded from ship-to-shore covering all aspects of a modern shipping company.

Being pioneers in the Infrastructure.aaS market with EnterpriseLink (SD-WAN managed services) we have managed to on-board significant accounts in almost all vertical sectors. The partnership with Telecom Service Providers (Wind, Forthnet, Cosmote, Telecom Italia Sparkle) created opportunities and brought additional revenue from the Enterprise market, while the forecast for 2022 is promising.

In 2021 the Company managed to expand our country-wide field services outside the Opap flagship contract. New customers from transportation and logistics sectors were on-boarded with long term contracts, while in parallel the Company is expanding rapidly in the retail and banking sectors.

6. Quality Assurance

In view of Services and Operations standardisation, Neurosoft is certified under ISO9001, ISO27001 & ISO 45001 international standards for Quality, Information Security Management and Health & Safety.

SECTION B

Principal risks and uncertainties

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

The Company is exposed to a variety of financial risks, such as market risks (foreign exchange risk, interest rate risk, etc.), credit risk and liquidity risk.

1. Foreign exchange risk

Foreign exchange risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. The Company's revenues are mainly based on Euro denominated agreements and therefore the Company is not exposed to foreign exchange risk. However, the Company's Management continuously monitors the foreign exchange risks that may arise and evaluates the need for such measures.

2. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates. The Company's exposure to the risk of changes in interest rates relates to the Company's bank borrowings, which are at floating rates. Management monitors on a continuous basis, fluctuations in interest rates and evaluates the need for taking relevant positions to hedge against such risks.

3. Credit risk

Credit risk is the risk of financial loss to the Company and the Company if a counterparty fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and trade and other receivables. For banks and financial institutions only well established with good reputation parties are accepted and the Company set limits to the degree of exposure for each financial institution. 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 for which the effective control of credibility is not always easy. Therefore, the Company continuously develops and further evolves its internal risk management mechanisms to fully confront this risk. Consequently, this risk, although real in view of the general adverse economic environment is currently assumed as controlled by the Company.

4. Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as they fall due. Liquidity risk is kept at low levels by ensuring that there is sufficient cash on demand and / or credit facilities to meet the financial obligations falling due in the next 12 months. The Company has sufficient undrawn borrowing facilities that can be utilized to fund any potential shortfall in cash resources. For the monitoring of the liquidity risk, the Group prepares cash flows forecasts on a frequent basis to ensure it has sufficient cash to meet its needs.

5. Capital management

The primary objective of the Group's and Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business plans and maximize shareholder value. An important means of managing capital is the use of the gearing ratio (ratio of net debt to equity). Net debt includes interest bearing borrowings, as well as long-term and short-term lease liabilities less cash and cash equivalents.

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Long-term borrowings	297,770	389,392	297,770	389,392
Short-term borrowings	191,622	371,622	191,622	371,622
Long-term lease liabilities	395,913	586,118	395,913	586,118
Short-term lease liabilities	341,335	352,225	341,335	352,225
Cash and cash equivalents	(1,676,697)	(1,009,325)	(1,647,393)	(989,903)
Net debt	**(450,058)**	**690,031**	**(420,754)**	**709,454**
Total equity	**4,065,315**	**3,137,494**	**4,353,985**	**3,412,075**
Net debt to equity	-0.111	0.220	-0.097	0.208

6. Other Risks

Coronavirus potential effects

Many countries -including Greece- cope with the continuing impact of the Covid-19 pandemic. The Company has implemented a cross functional, company-wide 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 proactive and reactive 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.

Geopolitical Risks

The recent geopolitical events in Ukraine, the military actions from Russia and the subsequent response from European Union and European countries as well as the United States in the form of economic sanctions are affecting global energy markets and macroeconomic conditions in general. There is no exposure of the Group to either Russia or Ukraine, resulting in no direct effect from latest developments. Any effect is only indirect, related to the high energy cost and inflationary pressures along with the subsequent negative impact on our customers' disposable income. The Group is following developments around the crisis in Ukraine and is planning accordingly.

SECTION C

Important related party transactions

Related parties have been identified based on the requirements of IAS 24 "Related Party Disclosures".

The Group includes all entities which Neurosoft controls, either directly or indirectly (See note 1). Transactions and balances between companies in the Group are eliminated on consolidation.

The Group's financial statements are integrated in the consolidated financial statements of OPAP S.A. under the full consolidation method. Therefore, all companies, included in the OPAP Group, are also considered related parties.

a) Transactions with related parties

Related party transactions refer to the provision and purchase of services in the normal course of business. The aggregate amounts of sales and purchases from the beginning of the year with related parties under IAS 24, are as follows:

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Sales of services				
OPAP S.A.	7,709,464	8,133,056	7,709,464	8,133,056
OPAP Sports LTD	17,568	-	-	-
Tora Wallet Single Member S.A	11,932	25,320	11,932	25,320
Tensorfin S.A.	-	-	117,996	-
OPAP Cyprus LTD	61,088	496	-	496
	7,800,051	**8,158,872**	**7,839,392**	**8,158,872**

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Purchase of services				
Neurosoft Cyprus Ltd	-	-	-	85,000
Daedalus Technologies FZE	-	-	-	45,000
Tensorfin S.A.	-	-	269,443	-
Metasan S.A.	111,592	538,540	111,592	538,540
	111,592	**538,540**	**381,035**	**668,540**

Board of Directors and Key Management

The compensation of the members of the Board of Directors and key management personnel for the Group and the Company for fiscal year 2021 amounted to €915,551 (2020: €1,008,011).

Further to the above we note:

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

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

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

b) Balances with related parties

The closing balances of receivables and liabilities at year end, which have resulted from transactions with related parties under IAS 24, are as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Trade receivables from related parties				
OPAP S.A.	1,788,220	1,222,477	1,788,220	1,222,477
Tora Wallet Single Member S.A	-	719	-	719
OPAP Cyprus LTD	30,106	496	-	496
OPAP Sports LTD	1,535	-	-	-
	1,819,861	**1,223,692**	**1,788,220**	**1,223,692**
Other receivables from related parties				
- Loans granted to related parties				
Neurosoft Cyprus Ltd	-	-	125,230	125,230
	-	**-**	**125,230**	**125,230**
Other receivables from related parties				
Neurosoft Cyprus Ltd	-	-	45,027	45,027
	-	**-**	**45,027**	**45,027**
Total other receivables from related parties	**-**	**-**	**170,257**	**170,257**

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Trade payables to related parties				
Neurosoft Cyprus Ltd	-	-	3,000	33,000
Daedalus Technologies FZE	-	-	-	45,000
Metasan S.A.	10,495	82,131	10,495	82,131
	10,495	**82,131**	**13,495**	**160,131**

SECTION D

Detailed information in accordance with the provisions of article 4, paragraph 7 of Law 3556/2007, as in force and relevant explanatory report

1. Share capital structure

Following the resolution of the Extraordinary General Shareholders Meeting held on 25/11/2014 the new share capital of the Company amounted to €8,954,608 and was divided into 25,584,594 ordinary registered shares with a nominal value of Euro €0.35 each.

On 14 June 2021, based on the decision of the Company's Ordinary General Meeting according to article 119 par.4 of Law 4548/2018, the reduction of Company's share capital was decided with the equivalent offsetting of previous years' accumulated losses amounting to €4,988,995.83 and the simultaneous reduction of the nominal value of Company's shares by the amount of €0.195. Following this capital reduction, the Company's share capital as of 31 December 2021 amounts to €3,965,612.07 divided into 25,584,594 ordinary shares with a par value of €0.155 each.

For each share all the rights and obligations are defined by law and the Articles of Association. The ownership of the share automatically entails acceptance of the Articles of Association and the decisions taken in accordance with the law and the Statute of the various corporate bodies.
Each share carries the right to one (1) vote.

All shares of the Company are listed on the Euronext Growth Milan market, organized and managed by the Italians Stock Exchange .

2. Restrictions on the transfer of shares of the Company

There are no restrictions on the transfer of shares.

3. Shares with special control rights

There are no issued shares that offer special control rights.

4. Restrictions on voting rights

There are no restrictions on voting rights.

5. Shareholders' agreements

The Company is not aware of any agreements between shareholders, which impose limitations on the transfer of shares or on the exercise of voting rights.

6. Rules of appointment and replacement of members of the Board of Directors and amendment of the Company's Articles of Association, which differ from the provisions of Law 4548/2018.

Regarding the appointment and replacement of members of the Board of Directors, as well as, the amendment of the Articles of Association, there are no rules that differ from the provisions of Codified Law 4548/2018, as was in force during 2021.

7. Authority of the Board of Directors or some of its members to issue new shares or acquire treasury shares of the Company in accordance with Article 49 of Law 4548/2018.

There is no specific authority of the Board of Directors or of certain members of the Board of Directors to issue new shares or acquire treasury shares in accordance with Article 49 of Law 4548/2018, as was in force during 2021.

8. Significant agreements which become operative, modified or terminated upon a change of control of the Company following a public offer.

There is no significant agreement concluded by the Company, which is set in force, modified or terminated upon a change of control following a public offer.

9. Significant agreements with members of the Board of Directors or with employees of the Company

There isn't any agreement between the Company and the members of its Board of Directors or staff, which provides compensation in case of resignation or dismissal without cause or termination of employment due to any public offer.

Explanatory report on the information, which is prepared in accordance with article 4, paragraph 8 of Law 3556/2007.

The numbering in this explanatory report follows the same numbering of the relevant information under Article 4, paragraph 7 of Law 3556/2007 as in force, as the information listed below:

1. The structure and mode of formation of the share capital of the Company is set out in detail in Article 5 of the Articles of Association. The Company's shares were listed on the Euronext Growth Milan market on 8 May 2009 and are traded in the above Stock Exchange continuously to date.
2. No such restriction exists under the law or the Articles of Association, or any other agreement.
3. Data on the number of shares and voting rights of persons who have significant participation, are drawn from the Company's share register and relevant disclosures notified to the Company by law.
4. There are no other classes of shares, only common shares with voting rights.
5. The Company has not been notified of any such limitations.
6. Nor has the Company been notified of such agreements.
7. In these specific issues, the Articles of Association do not deviate from the provisions of Law 4548/2018 as was in force during 2021.
8. No such special responsibility exists.
9. In the absence of such agreement, there is no need for any explanation.
10. Similarly, in the absence of such agreements there is no need for any explanation.

SECTION E

Information on labor and environmental issues

LABOR ISSUES

1. The Group as of 31.12.2021 and 31.12.2020 employed 192 and 201 people respectively.
2. The basic principle governing the Group's operation is the continuous training and education of its personnel and the strengthening of corporate consciousness at all operation levels and activities of the Group. The Group's main concern is to constantly train and keep all staff on the cutting edge of knowledge.
3. The Group recognizes the need for continuous improvement of its environmental performance based on the principles of sustainable development and in compliance with legislation and international standards, aiming to achieve a balanced economic development in harmony with the natural environment. Following

the above-mentioned principles, the Group carries out its activities in a manner that ensures the protection of the environment on the one hand and the protection of the health and safety of its personnel on the other.

4. The Company follows the principles and procedures that have been determined within the Group based on widely accepted best practices and standards, in order to reassure that it has the adequate and capable personnel to efficiently meet the business targets of the Company.

These principles and procedures refer to the following matters:

(I) Policy of differentiation and of equal opportunities (independently of the sex, religion, disabilities and/ or other criteria)

(II) Respect to the personnel rights

(III) Health and Safety of the employment environment

(IV) Training and skills development

(V) Clearly defined job descriptions and responsibilities

(VI) Transparency, consultation and participation of personnel

The above principles are reflected to Company's policies with regard to labor and environmental issues and apply as well to the administrative and the Management bodies of the Company. The Board of Directors is considered diverse, competent and experienced since it is comprised in its majority of executive and non-Executive Members from various industries, nationalities and age groups. Although the Company does not have a specific policy of the allocation of the members of the above bodies in terms of age, sex, academic and professional background, the applicable legislation is followed to ensure the best practices and is assessed regularly to ensure the best possible compliance.

ENVIROMENTAL ISSUES

Neurosoft acknowledges its responsibility to actively contribute to the efforts to protect the environment and conserve natural resources and is committed to minimize environmental impacts concerning its activities, products and services. To this end, Neurosoft has established appropriate policies and takes appropriate actions to prevent pollution, reduce waste and minimize consumption of resources, based on principles and recommendations from best practices and international standards (ISO 14001).

Neurosoft's aspects of environmental policy include:

- **Compliance with laws:** The Company ensures compliance with applicable local, national and international environmental laws and provisions as well as other requirements to which the Company subscribes related to its environmental aspects.
- **Risk management:** The Company identify and manage environmental and social risks that stem from the activities.
- **Waste minimization:** To limit the impact on the environment, the Company minimizes the waste produce and recycle or manage the paper, ink and equipment we no longer use.

- **Use of environmentally friendly products:** The Company uses ecolabel products, carefully selects its suppliers and tries to share the same environmental attitude with them.
- **Ongoing Environmental awareness:** The Company educates, trains and motivates the employees to carry out tasks in an environmental responsible manner and try in raise awareness to the shareholders, and suppliers.
- **Green ICT:** The Company has adopted a green ICT strategy to minimize its digital footprint, by reducing the use of hazardous materials, maximizing energy efficiency during the product's lifetime, relying on cloud computing and virtualization technologies for saving resources and energy, reducing the cost of product’s life-cycle and promoting the biodegradability of unused and outdated products.

Neurosoft is committed to continual improvement of environmental performance. In addition, the Company in recent years participates in the recycling of waste material with certified recycling companies.

SECTION F

Evolution, performance and position of the Company and Group - Financial and non-key performance indicators

This section includes a proper and concise representation of the development, performance and position of the whole business included in consolidation. This display has been created in such a way as to provide a balanced and comprehensive analysis of the above categories of issues, which correspond to the size and complexity of the companies’ activities, which are included in the consolidation. Furthermore, at the end of this display some indicators are provided (financial or not) which the Board of Directors evaluates as useful for a better understanding of the above issues.

1. Financial and Operational Highlights of 2021

The key financial figures of the Group are as follows:

	31.12.2021	31.12.2020
Revenue	15,761,441	14,738,212
Gross profit	3,523,723	645,505
Net profit /(loss)	897,684	(2,598,942)
EBITDA	2,358,518	(1,958,712)

Below are presented certain Alternative Performance Indicators (APIs) of the Group arising from its financial statements. The Alternative Performance Indicators should not be considered as a substitute for other figures and have been calculated in accordance with the provisions of International Financial Reporting Standards.

	31.12.2021	31.12.2020
Gross profit margin	22.36%	4.38%
Net profit margin	5.70%	-17.63%
EBITDA / Revenue	14.96%	-13.29%
Current ratio	1.71	1.24
Debt / Equity	1.30	2.05
Equity / Total assets	43.54%	32.81%
Revenue / Total assets	1.69	1.54

Gross profit and Net profit margin

Gross profit margin is expressed as a percentage of revenue and it is a measure of the Group's efficiency. Net profit margin is the loss attributable to owners of the Company as a percentage of revenue.

EBITDA as a % of Revenue

EBITDA as a percentage of revenue is calculated as the ratio of earnings before interest, tax, depreciation, amortization and impairment (EBITDA) over revenue for the year.

Current ratio

Current ratio is a measure of Group's liquidity and it shows how many times the current assets cover the current liabilities of the Group. It is calculated as current assets divided by current liabilities.

Debt / Equity

Calculated as the ratio of total liabilities at the end of the year over equity at the end of the year and is used to evaluate the Group's financial leverage.

Equity / Total assets

Calculated as the ratio of total equity at the end of the year over total assets at the end of the year and it measures the shareholder's residual interest on Group's assets.

SECTION G

Anticipated course and Company's development for the year 2022

Following a successful 2021 there is optimism regarding the achievement of the 2022 financial and business objectives, despite the clearly difficult global environment affecting the domestic market and economy. The Company will continue to invest in added value technological solutions and services, following international market trends, which are expected to yield a dynamic response in the targeted markets. 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. Our focus will remain on the home market, Greece and Cyprus, for both our Systems Engineering and Cyber business with the exception of Angel (by default an international service) and RedyOps (red teaming assessment services) for which we have been receiving interest from international companies. In parallel, the Company will evaluate operational models to ensure a smooth diversification of the Systems Engineering Segment, between the Business Lines of ICT infrastructure and Field Services, in order to increase customer satisfaction and product specialization.

SECTION H

Subsequent events

OPAP ARENA Project

In August 2021, Neurosoft in response to an RFP issued by the Hellenic Republic Region of Attica submitted a proposal related to the construction of the OPAP Arena Football Stadium.

On 12 January 2022 the Company has been awarded with a contract for the supply, installation, commissioning and maintenance of main operational EMC systems of the stadium, such as lighting solutions, Integrated air conditioning systems, electrical panels for operations, monitoring, and control (BMS, KNX), firefighting and safety solutions.

The new stadium is expected to be delivered during Q3.2022. The contract value is approximately 3M € and the Company is pleased to be part of the most emblematic constructional sport project of the last decade.

Further Information

As of the day of the drafting of this report, there are no other significant events that have occurred since the end of the current fiscal year apart from the following:

- None of the companies included in the consolidation owns shares or stakes as Articles 48,49,50 of the Law 4548/2018.
- Regarding the planned growth of the Company as well as that of the Group, relevant analysis is presented in Section G of this Report.

SECTION I

Research and Development

The Company's research and development activities are carried out mostly on the following areas:

1. By participating to EU R&D programs with Educational Institutions in Greece and abroad. Specifically the Company has participated in 2 programs of the Horizon 2020 Innovation program for exchange of knowledge on the IT and cyber security sector (goal is to chart emerging technologies for teaching and learning), where various technology companies and Academic institutions participate with the purpose of automating the collection of digital evidence in an electronic format and medium.

2. By establishing an internal R&D on Security vulnerabilities research to identify vulnerabilities to various software programs and platforms and notify such discoveries to the owners of such programs through their Bug Bounty Programs or their Security Vulnerability Reporting and Response so they may proceed with correcting them.

SECTION J

Corporate Governance Statement

This Corporate Governance Statement (Declaration) is drafted according to Article 152 of Law 4548/2018, as was in force during 2021. It consists of a special section of the Annual Board of Directors Report and contains all statutory data information.

In particular, the structure of this Corporate Governance Statement is as follows:

A. Statement of compliance with the Corporate Governance Code as applies

B. Divergence from the Corporate Governance Code and Justification of these divergences

C. Corporate governance practices applied by the Company in addition to the provisions of the law

D. Description of the internal control and risk management system(s) regarding the preparation process of financial statements

E. Data on the control status of the Company (information (c), (d), (f), (h) and (i) of paragraph 1 of Article 10 of Directive 2004/25/EC)

F. Board of Directors and Committees

G. General Meeting and Shareholders' Rights

A. Statement of compliance with the Corporate Governance Code

Law 4706/2020, has amended the provisions of L. 3873/2010 and has incorporated in Greek law and legal order, the European Union Directive EE 2017/828 and EE Regulation 2017/1131 as codified with Law 4722/2020, basically enacts the adoption of the Corporate Governance Code by listed companies, while in the meantime it establishes the obligation of drafting this Declaration.

The Company, compliant with the requirements and regulations of the Law 3873/2010 as amended, has drafted and implemented its own Corporate Governance Code, the text of which is available on the legally registered Company's website www.neurosoft.gr which is on the process of revision to comply with the L. 4706/2020.

The preparation of this Code, which the Company has decided to apply on its own initiative, aims for the continuous improvement of the corporate and institutional framework, of the broader business environment as well as for the improvement of the Company's competitiveness as a whole.

During the establishment of this Code all the principles of corporate governance followed by the Company have been taken into consideration according to the applicable legislation *(especially the provisions of Law 4548/2018)*, as well as recommendations and general content of the Corporate Governance Code which was written by the Hellenic Federation of Enterprises, and then amended in the first revision by the Hellenic Corporate Governance Council as in force pursuant to the provisions of the above mentioned applicable legislation.

It is noted that for reasons of completeness the Corporate Governance Code, which has been drafted and implemented by the Company (hereinafter referred for brevity as the "**Code**"), has been approved by adoption of resolution of the Company's Board of Directors on 21/6/2012 as changed with the Company's Board of Directors resolutions of 27.12.2016 and 31.07.2017 accordingly.

B. Divergences from the Corporate Governance Code and justification of those divergences

The Company has decided on its own initiative to prepare and apply its own Corporate Governance Code, to establishe a corporate governance framework, taking into consideration the specific features of its operation and the identification of any needs dictated by the organization and operation of the Company.
The configuration of this Code, however, is a dynamic process, which in view of the consultation that takes place at the moment for the amendment of the applicable legislation and specifically the new law for the societes anonymes L. 4548/2018 and the new law for the Corporate Governance L. 4706/2020 is expected to be continued.

Within this framework, the Company according to the Company's Board of Directors resolution of 31.07.2017 has decided to establish an audit and a remuneration Committee as described on the legally registered Company's website www.neurosoft.gr.

C. Corporate governance practices applied by the Company in addition to the provisions of legislation

The Company, as far as corporate governance issues are concerned, applies so far, the provisions of applicable laws, which has incorporated in the Articles of Association, the Internal Operation Regulation and the Audit Manual. Additionally, the Company has its own Corporate Governance Code, which is compatible with the provisions of the above legislation and includes a series of additional corporate governance practices, which are included as a whole in the Code provisions, the text of which is available on the legally registered Company's website www.neurosoft.gr.

D. Description of the internal control and risk management systems of the Company regarding the process of financial statements preparation

The internal Audit system consists of all those functions established by the Company in order to ensure its belongings, to identify and manage the main risks it is facing or might face in the future, ensure that the data, based on which the financial statements have been prepared, is correct and accurate, as well as that the current legal framework ~~is~~ compiled and law principles and policies adopted by the Administration, are being applied.

The object of the internal control system consists of the rational allocation of the Company resources, the protection of business reputation, the adoption of better operation methods based on the experience gained and therefore a better possibility of evaluating risks arising from the business activity.
The existence of an advanced system of internal audit involves the further development of the Company, the improvement of its performance through the adjustment of strategic options and corporate goals, the reduction in incidences of losses by recording the various types of risk, the compliance with regulatory

mechanisms and treatment of adverse conditions, with the ultimate aim of improving the efficiency of the Company.

To ensure that the financial figures that are included in the separate and group financial statements are correct and accurate, the Company implements specific control procedures:

• Entries are performed by the accounting department of the company under strict procedures that require all documents to have the appropriate authorized signature.

• The accounting department performs periodic reconciliation of payroll accounts, customer balances, suppliers balances, VAT etc.

• The Company maintains fixed asset register and calculates depreciations based on International Financial Reporting Standards and relevant tax rates provided.

• The Group annually prepares the consolidated and the separate per subsidiary budgets for the next financial year, which are presented to the Board of Directors for approval.

• Every month a detailed presentation of separate per subsidiary and consolidated financial results is prepared and communicated to Management.

• All companies in the Group follow the same accounting policies in accordance with the International Financial Reporting Standards.

• Relationships and transactions between Group companies are reviewed.

• Periodical and extraordinary stock counts are conducted.

• Accounting and IT systems of the Company are monitored.

• The fees and all kinds of benefits to the Board of Directors members are being reviewed and are in accordance with the Company's operating regulations, the Articles of Association and the relevant legislation.

• The accounting department of the Group collects all the necessary data from the subsidiaries, the consolidation entries are recorded, and the financial statements are prepared according to International Financial Reporting Standards.

•There are specific procedures for the preparation of the financial statements which include specific deadlines, responsibilities and update of the required disclosures.

• Finally, the software system used by the Company is developed and constantly upgraded by its IT department to be adjusted to the constantly expanding and specialized needs with the aim of supporting the long-term goals and prospects of the Company. The IT department is among other things, responsible for the implementation of the security processes (backups on a daily basis, access to files, also all programs have specific people using their own passwords, etc.) and of security procedures which have been established by the Company (anti-virus software, email protection) and the applicable legislation including GDPR (EE Regulation 2016/679).

• The Board of Directors continuously monitors the adequacy of the Company's Internal Audit System as:

• it has approved the Internal Operating Regulation of the Company which includes adequate policies, procedures and regulations that comprise the Internal Audit System applied by the Company,

• The Members of the Company's Board of Directors are recipients of the reports prepared by the Internal Audit of the Company. Through these reports various areas / operations of the Company are evaluated, as well as the adequacy of the Internal Control Systems applicable to them.

E. Information provided for in (c), (d), (f), (h) and (i) of paragraph 1 of Article 10 of Directive 2004/25/EC

In terms of control the company complies with the following provisions of the applicable legislation:

1. Article 10, paragraph 1 of Directive 2004/25/EC of the European Parliament and of the Council of April 21st, 2004 on takeover bids, provides the following for companies the shares of which are admitted to trading on a regulated market:

"1. Member States ensure that the companies referred to in Article 1, paragraph 1 publish detailed information on the following:

a) capital structure, including titles which are not traded on a regulated market of a Member State and, where appropriate, an indication of the different classes of shares, with the rights and obligations attached to each class of shares and the percentage of the total share capital represented,
b) all the restrictions on the transfer of titles, such as limitations on titles holding or the obligation of approval by the Company or other titles holders, according to Article 46 of Directive 2001/34/EC,
c) significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) according to Article 85 of Directive 2001/34/EC,
d) the holders of any titles with special control rights and the description of these rights,
e) the control system that might be provided in an employee participation system, where the control rights are not exercised directly by the employees.
f) any restrictions on voting rights, such as limitations of the voting rights of holders of a specific percentage or number of votes, deadlines for exercising voting rights, or systems whereby, in cooperation with the Company, the financial rights attached to titles are separated from the holding of titles,
g) agreements between shareholders which are known to the Company and may result in restrictions on the transfer of titles and / or voting rights within the meaning of Directive 2001/34/EC,
h) the rules governing the appointment and replacement of board members as well as the amendment of the Articles of Association,
i) the powers of Board Members, regarding the possibility of issuing or repurchasing shares in particular,
j) any significant agreements in which the Company participates, and which shall come into force, be amended or expire upon change of Company control following a public offer, and the effects thereof, unless its disclosure would cause serious damage to the Company by its nature. This exception does not apply when the Company is specifically obliged to disclose such information under any other legal requirements, any agreement between the Company and its board members or employees, which provides compensation in case of resignation or dismissal without valid reason or if their employment ceases because of a public offer."

2. The above information is given in detail below. As far as elements c, d, f, h and i of paragraph 1 of Article 10 are concerned, the Company states the following:

• Relative to point c: significant direct and indirect shareholdings of the Company are as follows:

a) "Neurosoft Cyprus Ltd", headquartered in Cyprus, in which the Company holds a stake of 100%,
b) "Neurosoft Romania Srl" headquartered in Romania, in which the Company holds a stake of 95% indirectly through its subsidiary Neurosoft Cyprus Ltd.

Furthermore, significant direct or indirect shareholdings in the share capital and voting rights of the Company are as follows:

Shareholders	Number of shares	Percentage %
OPAP INVESTMENT LIMITED	9,770,444	38.19%
OPAP INTERNATIONAL LIMITED	6,401,241	25.02%
INTERNATIONAL GAME TECHNOLOGY PLC	4,176,537	16.32%
OPAP CYPRUS LIMITED	1,154,315	4.51%
FREE FLOAT	4,082,057	15.96%
Total	**25,584,594**	**100.00%**

Important Notes:

- Relative to point d: there are not any kind of titles (including shares), which confer special audit rights.
- Relative to point f: no restrictions on voting rights are known (such as restrictions on voting rights of holders of a specific percentage or number of votes, deadlines for exercising voting rights, or systems whereby, in cooperation with the Company, the financial rights attached to titles are separated from the holding of titles. Regarding the exercise of voting rights at the General Assembly, extensive reference is made in Section 3 of this Corporate Governance Statement.
- Relative to point h: regarding the appointment and replacement of members of the Board of Directors of the Company, as well as, the amendment of the Articles of Association of the Company, there are no rules that differ from the provisions of the Law 4548/2018, as currently applicable. These rules are described in detail in Section 2.1 of this Corporate Governance Statement.
- As to point i: there are not any special powers of the Board of Directors regarding issuing or repurchasing shares.

F. Board of Directors and Committees

1. Board of Directors

The Board of Directors consists of five (5) to nine (9) executive and non-executive members. At least three (3) of them are non-executive members and at least one independent member. The Board members are elected by the General Meeting of Shareholders to serve for five (5) years. The executive members are involved in the daily management issues of the Company while the non-executive directors are responsible for the progress of all corporate issues.

If a position of a Director becomes vacant due to death, resignation or for any other reason, then the remaining Directors, provided that they are at least three (3), must elect a provisional replacement for the remaining term of office of the Director being replaced. This election is submitted for approval to the following Ordinary or Extraordinary General Meeting of Company's Shareholders. The actions of the provisional replacement elected by the Board of Directors are valid even if the General Meeting refuses to validate his/her election and elects another definitive Director. The current Board consists of seven (7) members, of which two (2) executive, four (4) non-executive and one (1) independent non-executive.

The following table includes the members of the Board as of 31/12/2021:

Board of Directors Member	**Position**
Anastasia Verra	Chairman of BoD (non-executive)
Epameinondas Paschalidis	CEO of the Company (executive)
Petros Xarchakos	Member of BoD (executive)
Martin Chladek	Member of BoD (non-executive)
Kamil Ziegler	Member of BoD (non-executive)
Evangelos Kollias	Member of BoD (non-executive)
Themistoklis Polizos	Independent Member of BoD (non-executive)

Note:

All the aforementioned members of the Board have Greek citizenship, except for Mr. Martin Chladek and Mr. Kamil Ziegler who have Czech citizenship.

2. Powers of the Board of Directors

The Board of Directors manages and represents the Company and is competent to decide on every matter concerning the Company's management, the pursuit of the objectives of the Company's scope and the management of its assets, except for those matters under the exclusive jurisdiction of the General Meeting according to the Law or the Articles of Association. Any actions of the Board of Directors, even actions not included in the Company's scope, are binding on the Company before third parties, except where it is proven that the third party involved was aware or should have been aware of this encroachment. Adherence to publication formalities regarding the Company's Articles of Association or its amendment does not constitute proof on its own. Any limitations to the power of the Board of Directors by the Articles of Association or by a resolution of the General Meeting cannot be used against third parties acting in good faith, even if they have been subject to the publication formalities. The Board of Directors may, in writing only, assign the exercising of all its powers and jurisdiction (except for those demanding collective action), as well as the Company's representation, to one or more persons, who may or may not be Directors, while also determining the extent of this assignment. In any case, the jurisdiction of the Board of Directors is subject to articles of Chapter 6 of the Law 4548/2018, as was in force in 2021.

The main, non-assignable responsibilities of the Board (meaning that the decision requires prior approval by the Board of Directors or, if necessary, subsequent validation on behalf of the Board), include:

• the approval of the long-term strategic and operational objectives of the Company,

• the approval of the annual budget and business plan and decision-making on major capital expenditures, acquisitions and divestitures,

• the selection and, if necessary, replacement of the executive management of the company, as well as the supervision of succession planning,

• the performance appraisal of senior management and the harmonization of remuneration of senior executives with the long-term interests of the Company and its shareholders,

• the assurance of the reliability of the financial statements and figures of the Company, the financial information systems and the data available in public, as well as the assurance of the effectiveness of internal and risk management control.

• the vigilance regarding existing and potential conflicts of interest between the company and the company's management, Board members or major shareholders (including shareholders with direct or indirect power to modulate or influence the composition and the behavior of the Board), and the appropriate handling of such conflicts

• the assurance of an effective regulatory process of Company Compliance,

• the responsibility for decision-making and monitoring of the effectiveness of the Company's management system, including decision-making and delegation of powers and duties to other employees, and

• the formulation, dissemination and application of the basic values and principles governing the Company's relations with all parties, whose interests are connected with those of the Company.

3. Board of Directors operation

Regarding the operation of the Board of Directors, the Articles of Association provides the following:

Convening of the Board of Directors

Upon its election, the Board of Directors meets and is constituted as a body, electing its Chairman, its Vice-chairman (if any) and the Chief Executive Officer and /or Managing Director(s), as well executive, non-executive and independent). The same person may be Chairman or Vice-Chairman and Managing Director at the same time.

The Chairman of the Board of Directors presides at the meetings. When the Chairman is absent or unable to perform his duties, his represented in his full responsibilities by the Vice-chairman or the Chief Executive Officer. Finally, any Executive Member may be replaced by another Director, who is appointed by the Board of Directors. Also, the Board of Directors may elect its Secretary, who may, but does not have to, be a Director.

Role of the Chairman of the Board of Directors

The Chairman shall preside over the Board of Directors. She is a non-executive member. The Chairman is also responsible for ensuring prompt and accurate reporting to the members of the Board of Directors and effective communication with all shareholders, focusing on fair and equitable treatment of the interests of all shareholders.

CEO

The CEO is an executive member and responsible for setting the agenda, besides all the other possible responsibilities, ensuring the proper execution of tasks regarding the organization of the Board and the effective conduct of its meetings as well responsible for the implementation of the strategic objectives of the Group and the case management (day - to - day management) of the Company. The CEO reports to the Board of Directors. He is in charge of all sectors and departments of the Company and is responsible among other things for:

• the achievement of the objectives of the annual budget,

• the evaluation of risks and the implementation of measures and procedures to effectively deal with them,

• the coordination of the senior management team, overseeing and ensuring profitability for the proper operation of the Company,

• suitability assessment - systems and procedures regarding the operation of the Company and the suggestion and / or implementation of improvements

• the monitoring of the progress of projects, taking corrective actions where necessary and the efficient allocation of resources between projects,

• ensuring the implementation of the Company's decisions, as well as updating the Board of Directors and the Management Board on matters of the Company. The CEO is responsible for the coordination of individual departments of the Company and the submission of recommendations to the Management Board, with respect to matters within the competence of the Board.

The **Executive Member** has the same powers and responsibilities as the CEO.

Decision Making

The Board is in quorum and validly convenes when it is present or when half the Board plus one Director are represented, never though, when the number of Directors who attend in person is less than three (3). For calculating the quorum, any resulting vote shall be omitted.

Resolutions of the Board shall be taken by an absolute majority of the directors who are present and represented except in cases of Article 5 § 2 of the Articles of Association.

Representation of members of the Board

A director who is prevented from attending can only be represented by another Director. Each Director may represent only one absent member. In this case this Director has two (2) votes.

4. Board of Directors' Meetings

The Board meets regularly and following the provisions of the articles 90, 91, 92, 93 and 94 of Law 4548/2018.

The Board shall be convened by the CEO, by invitation notified to the members of the Board at least (2) two working days before the meeting. All the items of the agenda must be clearly indicated in the invitation, otherwise decision making is allowed only if all members of the Board are present or represented and no one disagrees with the decision making.

During 2021, fourteen (14) Board meetings took place.

Minutes of the Board of Directors

The minutes of the discussions and decisions of the Board of Directors are kept in a special book and are signed by the Directors present at the meeting. Any Director in disagreement may request that a summary of its opinion be recorded in the relevant meetings. Copies or excerpts of the Minutes of the Board of Directors are validated by the Chairman or the Chief Executive Officer.

Compensation of Directors

An amount set annually by a specific resolution of the Ordinary General Meeting may be paid to each Director for transportation expenses and as remuneration for attendance of each Board meeting or as any other type of remuneration or compensation for any reason.

G. General Meeting and Shareholders' Rights

1. Competence of the General Meeting

The General Meeting, convening in accordance with the Articles of Association and the applicable Law, represents all the shareholders and constitutes the supreme body in the Company, having the authority to make decisions on every corporate matter. Its lawful resolutions are also binding on the partners who are absent or disagree with them. The General Meeting is the only competent body for making decisions on:

a) extension of duration, revival, dissolution of the company, merger, conversion, breaking – up, without prejudice to the Board of Director's competence in case of absorption or demerger, in accordance with Law 4601/2019;

b) amendment of the Articles of Association, except for any amendments or adjustments to the Articles of Association effected by the Board of Directors in the cases explicitly provided by law; Any increases (ordinary or extraordinary) and the decreases of the share capital are deemed to be an amendment to the Articles of Association;

c) issue of bond loans in accordance with the provisions of Chapter D' of Law 4548/2018, as in force;

d) issue of extraordinary founding titles as per article 76 of Law 4548/2018 and the issue of preference shares as per article 38 of Law 4548/2018;

e) approval of the overall management according to article 108 of Law 4548/2018 and discharge of the auditors;

f) election of the members of the Board of Directors, without prejudice to article 22 hereof;

g) election of the auditors;

h) appointment of the liquidators;

i) approval of the separate and consolidated financial statements;;

j) annual profit distribution;

k) The acquisition or disposal of significant holdings in companies. Significant holdings in companies shall mean holdings in terms of shares or assets which assessed as a whole for a period of 12 months meet one of the following conditions: (aa) The total acquisition or sale price of the said holdings exceeds the Company's open market value, calculated on the basis of the stock exchange price of the Company's share at the time of acquisition or sale, or (bb) The total assets, turnover or profits of the company, relating to significant holdings, multiplied by the ratio of the holding acquired or sold to the total financials of the relevant company, exceeds the corresponding figure for the Company; and

l) any other matters provided by Law or by the Articles of Association.

2. Convocation of the General Meeting

The Ordinary General Meeting of shareholders is convoked by the Board of Directors and convenes regularly, once a year, at the Company's registered offices and up to the 10th day of the 9th month following the ending of the Company's fiscal year. The Company however follows as well the convocation rules of the Euronext Growth Milan market where it is listed. The Board of Directors may convoke an extraordinary General Meeting whenever it deems it to be necessary. Exceptionally, the General Meeting may convene in a different location in Greece, following the provisions of the applicable legislation and when the Meeting is attended by shareholders or their proxies representing the total share capital and no shareholder is opposed to hold a meeting and pass a resolution.

Invitations for the convocation of an Ordinary or Extraordinary General Meeting, except for repeat meetings and their equivalents, are published and uploaded according the applicable legislation at least twenty (20) full days prior to the set meeting date.

It is clarified that non-business days are also counted. Both the day the invitation is issued and day of the Meeting are not counted.

3. Representation of Shareholders in the General Meeting

Shareholders entitled to attend the General Meeting may be represented therein by a legally authorized person.

4. Chairman of the General Meeting

The Chairman of the Board of Directors or, when the Chairman is unable to perform the duties, the CEO or, when the CEO is also unable, the most senior among present Directors presides temporarily over the shareholders' Meeting. After the list of shareholders with voting rights has been approved, the meeting proceeds to the election of its Chairman and one Secretary, who count the votes as well. The aforementioned persons are elected by roll call. The Chairman of the General Meeting must necessarily be a shareholder or a shareholder's proxy. The Secretary may not be a shareholder.

5. Obligations arising from the provisions of Law 4548/2018

Twenty (20) days before the Annual Ordinary General Meeting the Company will publish on its website, both in Greek and English, information on:

• the date, time and place of the General Meeting of Shareholders;

• the basic rules and practices of participation, including the right to propose items for the daily agenda and ask questions, and the deadlines for exercising these rights;

• Voting procedures, terms of representation by proxy and the forms used for proxy voting;

• the proposed daily agenda for the meeting, including drafts of the resolutions upon the discussion and voting, and accompanying documentation as well;

• the proposed list of candidates for Board membership and their resumes in case of election of members; and

• the total number of shares and voting rights on the date of convocation.

A summary of the minutes of the General Meeting of Shareholders, including the results of voting for each resolution of the General Meeting, will be available on the Company's website within fifteen (15) days from the General Meeting of Shareholders, translated into English, if that is required by the shareholder structure of the Company and is economically feasible.

The Chairman of the Board of Directors, the Chief Executive Officer or the General Manager where applicable, even the chairmen of the committees of the Board, as well as the auditor will be attending the General Meeting in order to provide the shareholders with accurate information regarding issues of their competence and further clarifications, following the questions addressed. Consequently, the Chairman of the General Meeting shall provide the shareholders with the essential time to this purpose.

6. Participation and voting rights

The share rights and options are proved by a relevant certificate, issued by the Company or any other person expressly authorized to do so by the Board of Directors. For the exercise of the share right, taken that the shares are traded on Euronext Growth Milan market, the above-mentioned certificate is issued by the shares custodian financial institution per each shareholder and is filed in the Company, and if the shareholder wants to participate in the General Meeting of Shareholders of the Company a certificate of share blocking shall also be filed in the Company. The above-mentioned certificates may be included in the same document. In each case, persons registered in the shareholders' register are considered as shareholders of the Company.

7. Minority Shareholders' Rights

The Company follows the provisions of articles 141, 142 and 143 of the Law 4548/2018 as these are incorporated in the Articles of Association.

8. Shareholders' rights and way of exercising

The Company has issued registered ordinary shares listed for trading on the Euronext Growth Milan market.

The acquisition of shares of the Company automatically implies the acceptance of the Articles of Association and the legal decisions of the competent bodies. Each share provides equal rights according to the percentage of the share capital represented. Shareholders' liability is limited to the nominal value of their shares. In case of joint ownership of a share, co-owners exercise their rights solely by a joint representative thereof. The joint owners are equally and severally responsible for the fulfillment of the obligations arising from the common share.

Each share incorporates all the rights and obligations established by Law 4548/2018 and the Articles of Association, and in particular:

• the right of participation and vote in the General Meeting,

• the right to receive dividends from the profits of the Company,

• the right to the proceeds of liquidation or, respectively, of amortization of capital corresponding to the share, if so decided by the General Meeting. The General Meeting of the Shareholders of the Company reserves all of its rights during the liquidation,

• the right of preference in any increase of the Company's share capital in cash and the issue of new shares, and the right of preference in each issue of convertible bonds, unless the General Meeting decides to approve the increase,

• the right to receive a copy of the financial statements and the reports of the auditors and the Board of the Company,

• the above-mentioned rights of minority shareholders.

This Corporate Governance Statement (Declaration) contains all necessary information pursuant to the law, constitutes part of the Annual Report of the Board of the Company and is incorporated unchanged in it.

INDEPENDENT AUDITOR'S REPORT

This audit report and the financial statements that are referred to herein have been translated into English from the original documents prepared in the Greek language. The audit report has been issued in the Greek language with respect to the Greek language financial statements. In the event that differences exist between the translated audit report and financial statements and the original Greek language audit report and financial statements, the respective Greek language documents will prevail.

Independent auditor's report

To the Shareholders of NEUROSOFT SOFTWARE PRODUCTION S.A.

Report on the audit of the company and consolidated financial statements

<u>Our opinion</u>

We have audited the accompanying company and consolidated financial statements of NEUROSOFT SOFTWARE PRODUCTION S.A. (the "Company" and "Group" respectively) which comprise the company and consolidated statement of financial position as of 31 December 2021, the company and consolidated statements of comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the company and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the company and consolidated financial statements present fairly, in all material respects the company and consolidated financial position of the Company and the Group as at 31 December 2021, their company and consolidated financial performance and their company 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.

<u>Basis for opinion</u>

We conducted our audit in accordance with International Standards on Auditing ("ISAs"), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the company and consolidated financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, that are relevant to the audit of the company and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, and the requirements of the IESBA Code.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the company and consolidated financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the company and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the company and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 2021 is consistent with the company and consolidated financial statements,

- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 and 153 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the company and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the company and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the company and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

Auditor's responsibilities for the audit of the company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

With respect to the Board of Directors Report, the procedures we performed are described in the "Other Information" section of our report.

Athens, 18 April 2022

The Certified Auditor Accountant

PricewaterhouseCoopers S.A.
Certified Auditors – Accountants
268, Kifissias Avenue
152 32 Halandri
SOEL Reg. 113

Konstantinos Michalatos
SOEL Reg. No 17701

ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

According to International Financial Reporting Standards

As adopted by the European Union

for the year from 1 January to 31 December 2021

CONTENTS OF ANNUAL CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
	Note	31.12.2021	31.12.2020 Restated (*)	31.12.2021	31.12.2020 Restated (*)
ASSETS					
Non-current assets					
Property, plant & equipment	6	396,068	479,123	396,068	479,123
Right-of-use assets	7	709,927	913,666	709,927	913,666
Intangible assets	8	821,584	2,033,206	821,584	2,033,206
Goodwill	9	-	113,408	-	-
Investments in subsidiaries	10	-	-	242,930	398,799
Other non - current assets	11	87,125	93,025	87,123	93,025
		2,014,703	**3,632,428**	**2,257,632**	**3,917,820**
Current assets					
Inventories	12	382,689	147,484	382,689	147,484
Trade receivables	13	4,468,969	4,115,743	4,437,328	4,052,314
Other current assets	14	793,975	655,940	874,044	577,585
Restricted cash		182	2,259	182	2,259
Cash and cash equivalents	15	1,676,697	1,009,325	1,647,393	989,903
		7,322,510	**5,930,751**	**7,341,636**	**5,769,545**
Total assets		**9,337,213**	**9,563,180**	**9,599,268**	**9,687,365**
EQUITY					
Share capital	16	3,965,612	8,954,608	3,965,612	8,954,608
Share premium		600,000	600,000	600,000	600,000
Reserves	17	377,638	373,272	377,638	377,638
Retained earnings		(877,935)	(6,790,387)	(589,265)	(6,520,171)
Total equity		**4,065,315**	**3,137,494**	**4,353,985**	**3,412,075**
LIABILITIES					
Non-current liabilities					
Borrowings	18	297,770	389,392	297,770	389,392
Lease liabilities	7	395,913	586,118	395,913	586,118
Deferred tax liabilities	19	165,683	394,212	165,683	394,212
Employee benefit plans	20	49,865	135,292	49,865	135,292
Other non-current liabilities		68,265	137,601	68,265	137,601
		977,496	**1,642,615**	**977,496**	**1,642,615**
Current liabilities					
Trade payables	21	1,898,383	1,757,824	1,901,603	1,757,824
Borrowings	18	191,622	371,622	191,622	371,622
Lease liabilities	7	341,335	352,225	341,335	352,225
Provisions	22	-	13,900	-	13,900
Income tax liabilities	29	54,336	54,336	54,336	54,336
Other tax liabilities	23	680,424	775,352	679,178	761,380
Other current liabilities	24	1,128,303	1,457,813	1,099,715	1,321,388
		4,294,402	**4,783,071**	**4,267,788**	**4,632,674**
Total liabilities		**5,271,898**	**6,425,686**	**5,245,284**	**6,275,289**
Total equity and liabilities		**9,337,213**	**9,563,179**	**9,599,268**	**9,687,364**

(*) The comparative amounts of the Statement of Financial Position have been adjusted due to the change in accounting policy for retirement benefit obligations under IAS 19 (see Note 2.3).

The notes on pages 43 to 88 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

		GROUP		COMPANY	
	Note	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated (*)	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated (*)
Revenue	5	15,761,441	14,738,212	15,388,817	14,659,907
Cost of sales	25	(12,237,718)	(14,092,707)	(11,981,322)	(13,972,089)
Gross profit		**3,523,723**	**645,505**	**3,407,495**	**687,818**
Distribution expenses	25	(1,131,051)	(1,265,170)	(1,104,412)	(1,422,662)
Administrative expenses	25	(2,120,721)	(2,317,864)	(2,070,773)	(2,294,367)
Impairment of investment in subsidiaries	10	-	-	-	(300,000)
Impairment of intangible assets	7	-	(261,088)	-	(261,088)
Gain from disposal of subsidiaries	10	281,132	-	148,737	-
Other income	26	315,929	137,111	317,929	46,217
Other gain / (losses)		27,553	316,454	33,857	317,661
Operating Profit / (Loss)		**896,566**	**(2,745,052)**	**732,833**	**(3,226,421)**
Finance income	27	98	16,132	98	16,132
Finance expenses	27	(97,951)	(97,473)	(91,942)	(93,458)
Profit / (Loss) before income tax		**798,713**	**(2,826,394)**	**640,989**	**(3,303,748)**
Income tax	29	98,971	227,452	98,971	227,452
Profit/(Loss) after tax		**897,684**	**(2,598,942)**	**739,959**	**(3,076,296)**
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Actuarial gains	20	31,710	1,229	31,710	1,229
Related tax	29	(5,939)	(295)	(5,939)	(295)
Total items that will not be reclassified to profit or loss		**25,771**	**934**	**25,771**	**934**
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		4,365	(4,365)	-	-
Total items that may be reclassified to profit or loss		4,365	(4,365)	-	-
Other comprehensive income / (loss) for the period, net of tax		30,136	(3,431)	25,771	934
Total comprehensive income / (loss)		**927,820**	**(2,602,373)**	**765,731**	**(3,075,362)**
Profit / (Loss) for the period attributable to:					
Equity holders of the parent		897,684	(2,598,942)	739,959	(3,076,296)
		897,684	**(2,598,942)**	**739,959**	**(3,076,296)**
Total comprehensive income / (loss)					
Equity holders of the parent		927,820	(2,602,373)	765,731	(3,075,362)
		927,820	**(2,602,373)**	**765,731**	**(3,075,362)**
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
Profit/(Loss) per share (basic and diluted)		0.0351	(0.1016)	0.0289	(0.1202)

(*) The comparative amounts of the Statement of Comprehensive Income have been adjusted due to the change in accounting policy for retirement benefit obligation under IAS 19 (see Note 2.3).

The notes on pages 43 to 88 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

GROUP		Attributable to owners of the parent					
	Note	Share capital	Share premium	Reserves	Retained earnings	Total	Total equity
1 January 2020		**8,954,608**	**600,000**	**377,638**	**(4,273,242)**	**5,659,005**	**5,659,005**
Change in accounting policy for retirement benefit obligations under IAS 19	2.3	-	-	-	80,862	80,862	80,862
1 January 2020 - Restated (*)		**8,954,608**	**600,000**	**377,638**	**(4,192,379)**	**5,739,867**	**5,739,867**
Net loss for the period		-	-	-	(2,598,942)	(2,598,942)	(2,598,942)
Other comprehensive income		-	-	(4,365)	934	(3,431)	(3,431)
Total comprehensive loss for the period (net of tax)		**-**	**-**	**(4,365)**	**(2,598,008)**	**(2,602,373)**	**(2,602,373)**
31 December 2020		**8,954,608**	**600,000**	**373,273**	**(6,790,387)**	**3,137,494**	**3,137,494**
1 January 2021		**8,954,608**	**600,000**	**373,273**	**(6,790,387)**	**3,137,494**	**3,137,494**
Net proft for the period		-	-	-	897,684	897,684	897,684
Other comprehensive income		-	-	4,365	25,771	30,136	30,136
Total comprehensive income for the period (net of tax)		**-**	**-**	**4,365**	**923,455**	**927,820**	**927,820**
Share capital decrease	16	(4,988,996)	-	-	4,988,996	-	-
31 December 2021		**3,965,612**	**600,000**	**377,638**	**(877,936)**	**4,065,314**	**4,065,314**

(*) The comparative amounts of the Consolidated Statement of Changes in Equity have been adjusted due to the change in accounting policy for retirement benefit obligations under IAS 19. (see Note 2.3).

The notes on pages 43 to 88 form an integral part of these financial statements.

COMPANY

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
1 January 2020		**8,954,608**	**600,000**	**377,638**	**(3,525,671)**	**6,406,575**
Change in accounting policy for retirement benefit obligations under IAS 19	2.3	-	-	-	80,862	80,862
1 January 2020 - Restated (*)		**8,954,608**	**600,000**	**377,638**	**(3,444,809)**	**6,487,437**
Net loss for the period		-	-	-	(3,076,296)	(3,076,296)
Other comprehensive income		-	-	-	934	934
Total comprehensive loss for the period (net of tax)		**-**	**-**	**-**	**(3,075,362)**	**(3,075,362)**
31 December 2020		**8,954,608**	**600,000**	**377,638**	**(6,520,170)**	**3,412,076**
1 January 2021		**8,954,608**	**600,000**	**377,638**	**(6,520,170)**	**3,412,076**
Net income for the period		-	-	-	739,959	739,959
Other comprehensive income		-	-	-	25,771	25,771
Total comprehensive income for the period (net of tax)		**-**	**-**	**-**	**765,731**	**765,731**
Transfer of accumulated loss of transitional period of spin-off of Fintech sector	10	-	-	-	176,179	176,179
Share capital decrease	16	(4,988,996)	-	-	4,988,996	-
31 December 2021		**3,965,612**	**600,000**	**377,638**	**(589,265)**	**4,353,985**

(*) The comparative amounts of the Separate Statement of Changes in Equity have been adjusted due to the change in accounting policy for retirement benefit obligations under IAS 19 (see Note 2.3).

The notes on pages 43 to 88 form an integral part of these financial statements.

CASH FLOW STATEMENT

	Note	GROUP 01.01.2021 - 31.12.2021	GROUP 01.01.2020 - 31.12.2020 Restated (*)	COMPANY 01.01.2021 - 31.12.2021	COMPANY 01.01.2020 - 31.12.2020 Restated (*)
Operating activities					
Profit/(Loss) before tax		**798,713**	**(2,826,394)**	**640,989**	**(3,303,748)**
Adjustments for:					
Depreciation and amortization	6,7,8	1,461,952	1,585,615	1,314,176	1,585,615
Impairment of investment in subsidiaries	10	-	-	-	300,000
Impairment of intangible assets		-	261,088	-	261,088
Impairment of inventory		-	552,118	-	552,118
Provisions for doubtful debts		-	29,016	-	199,273
Gain from disposal of subsidiary		(281,132)	-	(148,737)	-
Employee benefit plans		32,737	113,599	30,778	113,599
Gain from government grants		(74,089)	-	(74,089)	-
Net finance expenses	27	97,853	81,341	91,844	77,327
Provisions for legal cases		(13,900)	13,900	(13,900)	13,900
Rent concessions		(22,991)	(24,255)	(22,991)	(24,255)
Gain on early termination of leases		-	(2,780)	-	(2,780)
Loss on write-offs of property, plant and equipment		-	-	-	-
Other movements relating to leases		3,225	3,006	3,225	3,006
Changes in working capital:					
Decrease / (Increase) in inventories		(235,205)	114,784	(235,205)	114,784
Decrease / (increase) in receivables		(490,747)	29,094	(530,663)	103,136
(Decrease) / increase in payables		(37,208)	(37,158)	172,255	76,429
Payment for staff indemnity	20	(26,672)	(86,494)	(26,672)	(86,494)
Less:					
Interest and other finance expenses paid		(103,808)	(94,736)	(97,799)	(90,721)
Net cash flows generated from / (used in) operating activities		**1,108,727**	**(288,257)**	**1,103,212**	**(107,722)**
Investing activities					
Additional consideration for the acquisition of subsidiary		-	(20,000)	-	(20,000)
Share capital increase of subsidiary	10	-	-	-	(70,000)
Proceeds from sale of subsidiary		482,060	-	482,060	-
Purchase of property, plant and equipment and intangible assets	6.7	(268,789)	(247,241)	(268,789)	(247,241)
Cash acquired on acquisition of subsidiary		-	6,140	-	-
Interest received		98	261	98	261
Net cash flows used in investing activities		**213,369**	**(260,840)**	**213,369**	**(336,980)**
Financing activities					
Repayments of borrowings		(271,622)	(91,622)	(271,622)	(91,622)
Repayment of lease liabilities		(387,469)	(356,494)	(387,469)	(356,494)
Receipt of repayable state cash advance		-	150,774	-	150,774
Net cash flows used in financing activities		**(659,091)**	**(297,342)**	**(659,091)**	**(297,342)**
Net decrease in cash and cash equivalents		**663,005**	**(846,439)**	**657,490**	**(742,044)**
Cash and cash equivalents at beginning of period		**1,009,325**	**1,860,130**	**989,903**	**1,731,947**
Effects of exchange rate changes on cash and cash equivalents		4,365	(4,366)	-	-
Cash and cash equivalents at the end of the period		**1,676,696**	**1,009,325**	**1,647,393**	**989,903**

(*) The comparative amounts of Cash Flow Statement have been adjusted due to the change in accounting policy for retirement benefit obligations under IAS 19 (see Note 2.3)

The notes on pages 43 to 88 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Neurosoft Software Production Societe Anonyme (the Company) is a société anonyme incorporated and domiciled in Greece, at 466, Irakliou Ave. & Kiprou, 141 22 Iraklio Attica, whose shares are publicly traded on the Euronext Growth Milan market 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 upon approval of the Shareholders' General Meeting.

Neurosoft is a fully integrated ICT company with Software Development, System Integration and Information Security capabilities. The business areas covered by Neurosoft are:

Cyber Security: Provision of high-end Cyber Security solutions and services and development of innovative security products. In a world of viruses, malwares, and hacktivists, Neurosoft has compiled a suite of practical and technologically advanced tools and methods to significantly enhance the protection of your mission-critical data

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 Group's financial statements are consolidated by OPAP S.A. (the "Parent Company).

These annual consolidated and separate financial statements for the year ended 31 December 2021 were approved by the Board of Directors of "Neurosoft S.A." on 18 April 2022, are subject to the final approval of the General Shareholders Meeting and are available on the Company's website www.neurosoft.gr, under the section "Investor Relations" and sub-section "Financial Reports".

Information on the Subsidiaries:

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

(b) «Neurosoft Romania Srl.» headquartered in Romania, in which the Company held a stake of 95% indirectly through its subsidiary Neurosoft Cyprus Ltd and Mr. Paschalidis hold the remaining 5%;

(c) Daedalus Technologies FZCO ("Daedalus"), headquartered in UAE, in which the Company held a stake of 100% of its share capital. On 11 October 2021 the Shareholders' General Meeting of NEUROSOFT S.A. approved the sale of 100% of the outstanding shares in Daedalus;

(d) TensoFin Software Production Single Member Société Anonyme, headquartered in Greece, in which the Company held a stake of 100% of its share capital. On 11 October 2021 the Shareholders' General Meeting of NEUROSOFT S.A. approved the sale of 100% of the outstanding shares in Tensorfin.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The main accounting principles applied for the preparation of these financial statements are presented below. These principles have been applied with consistency for all the financial periods presented, except stated otherwise.

These separate and consolidated financial statements have been prepared accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee (IFRS IC), applicable to companies reporting under IFRS and are effective as of 1 January 2021.

The separate and consolidated financial statements have been prepared under the historical cost and the going concern basis of accounting, after management's assessment as described in Note 2.1.1. below.

The preparation of the Financial Statements requires the use of accounting estimates and judgements. Although these estimates and judgements are based on Management's best knowledge of current events and actions, as well as historical experience, actual events may ultimately differ from those estimates.

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 4.

2.1.1 Going Concern

Management continuously assesses the likely impact of any changes in the macroeconomic and financial environment in Greece in order to ensure that all necessary actions and measures are taken to minimize any impact on the Group's activities.

On 3 May 2021, as a result of the mass vaccination scheme initiated, the restrictive measures imposed by the Government on 7 November 2020 began to be gradually lifted. Additionally, during the year ended 31 December 2021, the worldwide restrictions to mobility have been gradually relaxed due to rapid vaccination progress, leading to increased economic activity and improved global macro-economic indicators. This has overall helped the Company achieve improved financial performance in fiscal year 2021.

The extent to which the coronavirus (COVID-19) epidemic will affect the Company's and the Group's operations and our business development strategy will largely depend on the future developments with respect to the pandemic.

Management examines closely its operating results and its cash position and makes adjustments to its cash flow forecasts where necessary. Management is confident that the Company has sufficient liquidity to repay all its suppliers and cover its future commitments. The Company has also sufficient undrawn borrowing facilities that can be utilized, without any restrictions, to fund any potential shortfall in cash resources.

Additionally, as of December 31, 2021, the Group and the Company have positive working capital of €3,028,108 and €3,073,848 respectively, maintain a strong financial position with the Group's cash and cash equivalents amounting to €1,676,697.

Considering the aforementioned factors, Management has concluded that the it is appropriate for the consolidated and separate financial statements of the Group and Company respectively, to be prepared on a going concern basis.

2.2 New Standards, amendments to standards and interpretations

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. These did not, or are not expected to, have any significant impact on the consolidated and separate financial statements, unless otherwise stated.

Standards and Interpretations effective for the current financial year

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.

IFRS 4 (Amendment) 'Extension of the Temporary Exemption from Applying IFRS 9'

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 'Insurance Contracts' from applying IFRS 9 'Financial Instruments', so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform - Phase 2'

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.

The Group and the Company have adopted the abovementioned amendments that don't have material impact on the consolidated and separate financial statements.

International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision IAS 19 (Employee Benefits) 'Attributing Benefit to Periods of Service'

An agenda decision was published in May 2021 by the IFRIC in relation to IAS 19 "Employee Benefits" and more specifically to how the applicable principles and requirements in IFRS Standards apply to attributing benefit to periods of service. The Group has fully implemented this decision by 31.12.2021. The impact on the Group's and the Company's Financial Statements from the adoption of this decision is described in Note 2.3.

Standards and Interpretations effective for subsequent periods

A number of new standards and amendments to standards and interpretations are effective for subsequent periods and have not been applied in preparing these consolidated and separate financial statements. The Group and the Company are currently assessing the potential impact of adoption of these amendments on the Financial Statements.

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions' (effective for annual periods beginning on or after 1 April 2021)

The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022.

IAS 16 (Amendment) 'Property, Plant and Equipment - Proceeds before Intended Use' (effective for annual periods beginning on or after 1 January 2022)

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

IAS 37 (Amendment) "Onerous contracts - Cost of fulfilling a contract" (effective for annual periods beginning on or after January 1, 2022)

The amendment clarifies that “costs to fulfil a contract” comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract.

IFRS 3 (Amendment) “Reference to the Conceptual Framework” (effective for annual periods beginning on or after January 1, 2022)

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognize contingent assets, as defined in IAS 37, at the acquisition date.

IAS 1 (Amendment) “Classification of liabilities as current or non-current” (effective for annual periods beginning on or after January 1, 2023)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability. The amendment has not yet been endorsed by the EU.

IAS 1 (Amendments) “Presentation of Financial Statements” and IFRS Practice Statement 2 “Disclosure of Accounting policies” (effective for annual periods beginning on or after January 1, 2023)

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

IAS 8 “Accounting policies, Changes in Accounting Estimates and Errors”: Definition of Accounting Estimates (Amendments) (effective for annual periods beginning on or after January 1, 2023)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments have not yet been endorsed by the EU.

IAS 12 (Amendments) ‘Deferred tax related to Assets and Liabilities arising from a Single Transaction’ (effective for annual periods beginning on or after 1 January 2023)

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRS Standards 2018–2020 (effective for annual periods beginning on or after January 1, 2022)

The amendments set out below describe the key changes to certain IFRSs.

IFRS 9 “Financial instruments”

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

IFRS 16 “Leases”

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

The adoption of the annual improvements is not expected to have an impact on the Group's and Company's Financial Statements.

2.3 Restatement of comparative financial information

The Group’s and the Company’s financial information for the year ended 31.12.2020 were restated due to change in accounting policy - IAS 19 Employee benefits which was applied retrospectively.

The IFRS Interpretations Committee issued in May 2021 the final Decision on the agenda entitled Distribution of benefits in periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material regarding the way of distribution of benefits in periods of service following a specific defined benefit plan proportionate to that defined in Article 8 of Greek Low 3198/1955 regarding the provision of compensation due to retirement (the " Labor Law Defined Benefit Plan ").

The Group, until the issuance of the IFRIC Decision, applied IAS 19 by distributing the benefits defined by the respective law (L.2112/1920 and its amendment L. 4093/2012) in the period from the recruitment until the completion of 16 years of service according to the scale provided by L. 4093/2012.
The application of the aforementioned Decision in the financial statements of the Group and the Company has as a result the distribution of benefits in the last 16 years until the date of retirement of employees following the scale of L.4093/2012.

The application of the above Decision has been treated as a change in accounting policy, applying the change retrospectively, from the beginning of the first comparative period, i.e. 01.01.2020 to 31.12.2020, in accordance with paragraphs 19-22 of IAS 8, with the impact on the relevant periods presented in the tables that following this Note.

Statement of Financial position extract 01.01.2020

	GROUP		
	Published 31.12.2019	**Effect of change in IAS 19**	**Restated 01.01.2020**
Equity			
Retained earnings	(4,273,242)	80,862	(4,192,379)
Total equity	**5,659,005**	**80,862**	**5,739,867**
Liabilities			
Non current liabilities			
Deferred tax liabilities	595,834	25,535	621,369
Employee benefit plans	225,447	(106,398)	119,049
Total liabilities	**6,856,476**	**(80,862)**	**6,775,614**
Total equity and liabilities	**12,515,481**	**-**	**12,515,481**

	COMPANY		
	Published 31.12.2019	Effect of change in IAS 19	Restated 01.01.2020
Equity			
Retained earnings	(3,525,671)	80,862	(3,444,809)
Total equity	**6,406,575**	**80,862**	**6,487,437**
Liabilities			
Non current liabilities			
Deferred tax liabilities	595,834	25,535	621,369
Employee benefit plans	225,447	(106,398)	119,049
Total liabilities	**6,636,473**	**(80,862)**	**6,555,611**
Total equity and liabilities	**13,043,048**	**-**	**13,043,048**

Statement of Financial position extract 31.12.2020

	GROUP		
	Published 31.12.2020	Effect of change in IAS 19	Restated 31.12.2020
Equity			
Retained earnings	(6,915,731)	125,346	(6,790,385)
Total equity	**3,012,149**	**125,346**	**3,137,495**
Liabilities			
Non current liabilities			
Deferred tax liabilities	354,629	39,583	394,212
Employee benefit plans	300,220	(164,929)	135,292
Total liabilities	**6,551,031**	**(125,346)**	**6,425,686**
Total equity and liabilities	**9,563,180**	**-**	**9,563,180**

	COMPANY		
	Published 31.12.2020	Effect of change in IAS 19	Restated 31.12.2020
Equity			
Retained earnings	(6,645,515)	125,346	(6,520,170)
Total equity	**3,286,731**	**125,346**	**3,412,077**
Liabilities			
Non current liabilities			
Deferred tax liabilities	354,629	39,583	394,212
Employee benefit plans	300,220	(164,929)	135,292
Total liabilities	**6,400,635**	**(125,346)**	**6,275,289**
Total equity and liabilities	**9,687,366**	**-**	**9,687,366**

Statement of Comprehensive Income extract 01.01-31.12.2020

	GROUP		
	Published Year Ended 31.12.2020	Effect of change in IAS 19	Restated Year Ended 31.12.2020
Cost of sales	(14,112,054)	19,347	(14,092,707)
Gross profit	**626,159**	**19,347**	**645,505**
Distribution expenses	(1,266,907)	1,737	(1,265,170)
Administrative expenses	(2,321,046)	3,182	(2,317,864)
Operating Profit / (Loss)	**(2,769,318)**	**24,266**	**(2,745,052)**
Finance expenses	(99,484)	2,011	(97,473)
Profit / (Loss) before income tax	**(2,852,670)**	**26,276**	**(2,826,394)**
Income tax	233,759	(6,307)	227,452
Profit/(Loss) after tax	**(2,618,912)**	**19,970**	**(2,598,942)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial (losses) / gains	(31,024)	32,253	1,229
Related tax	7,446	(7,741)	(295)
Other comprehensive income / (loss) for the period, net of tax	**(23,578)**	**24,512**	**934**
Total comprehensive income / (loss)	**(2,646,856)**	**44,482**	**(2,602,374)**

	COMPANY		
	Published Year Ended 31.12.2020	Effect of change in IAS 19	Restated Year Ended 31.12.2020
Cost of sales	(13,991,256)	19,167	(13,972,089)
Gross profit	**668,651**	**19,167**	**687,818**
Distribution expenses	(1,424,613)	1,952	(1,422,662)
Administrative expenses	(2,297,514)	3,147	(2,294,367)
Operating Profit / (Loss)	**(3,250,687)**	**24,266**	**(3,226,421)**
Finance expenses	(95,469)	2,011	(93,458)
Profit / (Loss) before income tax	**(3,330,024)**	**26,276**	**(3,303,748)**
Income tax	233,759	(6,307)	227,452
Profit/(Loss) after tax	**(3,096,265)**	**19,970**	**(3,076,296)**
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial (losses) / gains	(31,024)	32,253	1,229
Related tax	7,446	(7,741)	(295)
Other comprehensive income / (loss) for the period, net of tax	**(23,578)**	**24,512**	**934**
Total comprehensive income / (loss)	**(3,119,843)**	**44,482**	**(3,075,362)**

Statement of Cash Flows extract 01.01-31.12.2020

	GROUP		
	Published 31.12.2020	**Effect of change in IAS 19**	**Restated 31.12.2020**
Operating activities			
Profit loss	(2,852,670)	26,276	(2,826,394)
Employee benefit plans	137,864	(24,266)	113,599
Net finance expenses	83,352	(2,011)	81,341
	(2,631,454)	**-**	**(2,631,454)**

	COMPANY		
	Published 31.12.2020	**Effect of change in IAS 19**	**Restated 31.12.2020**
Operating activities			
Profit loss	(3,330,024)	26,276	(3,303,748)
Employee benefit plans	137,864	(24,266)	113,599
Net finance expenses	79,337	(2,011)	77,327
	(3,112,822)	**-**	**(3,112,822)**

2.4 Basis of consolidation

(a) Subsidiaries

The consolidated financial statements are comprised of the financial statements of the Company and all subsidiaries controlled by the Company directly or indirectly. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date on which control ceases.
The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration are recognized in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The financial statements of the subsidiaries are prepared as of the same reporting period as the parent company, using consistent accounting policies. All intercompany balances, transactions and any intercompany profit or loss are eliminated in the consolidated financial statements.

(b) Changes in ownership interests in subsidiaries without loss of control

Transactions with non-controlling interests that do not result in change of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

(c) Disposal of / loss of control over subsidiary

When the Group disposes of or ceases to have control or any retained interest in the subsidiary it is remeasured to its fair value at the date of disposal or when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that subsidiary are reclassified to profit or loss.

Investments in subsidiaries in the separate financial statements are accounted for at cost adjusted for any impairment where necessary.

2.5 Operating segments

Operating segments are determined based on the Group's business activities, in line with the review performed by the Group's Chief Operating Decision Makers. The reportable segments are determined using the quantitative thresholds required by IFRS 8. Information for operating segments that do not constitute reportable segments is combined and disclosed in the "Other" category. The accounting policies of the segments are the same with those followed for the preparation of the financial statements. The Group's key operating segments are disclosed in Note 5.

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Euro, which is the Company's functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions during the fiscal year and from the translation of monetary items into foreign exchange at current rates applicable on the balance sheet date are recorded in the statement of comprehensive income under other income / (expenses).

(c) Group companies

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) The assets and liabilities are converted using the rates in effect at the balance sheet date;

ii) The income and expenses are converted using the average rates of the period (except if the average rate is not the reasonable approach of the accumulated impact of the rates in effect at the dates of the transactions, in which case income and expenses are converted using the rates in effect at the dates of the transactions) and

iii) Any differences arising from this process are posted under other comprehensive income and are transferred to the statement of comprehensive income upon disposal of these companies.

Currency translation differences arising from the conversion of the net investment in a foreign company are posted under Other Comprehensive Income. Upon disposal of a foreign company in part or in whole, accumulated exchange differences are transferred to the statement of comprehensive income of the period as profit or loss resulting from the sale.

Gains and changes to fair value from the acquisition of foreign companies are deemed to be assets and liabilities of the foreign company and are measured at the currency rate applicable on the balance sheet date. The resulting foreign exchange differences are recorded in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment are presented in the financial statements at historical cost less accumulated depreciation and impairment (note 2.11). Acquisition cost consists of the purchase price, including any import duties and non-refundable purchase taxes, and any costs necessary to make the asset operational and ready for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. The repair and maintenance cost is recorded in the profit and loss when incurred.

Depreciation of other PPE is calculated using the straight-line method over their estimated useful life as follows:

Classification	Useful lives
- Buildings	10-12years
- Machinery	5 years
- Motor Vehicles	6-7 years
- Furniture and other equipment	3-5 years

The residual values and useful lives of tangible assets are subject to review at each balance sheet date. When the carrying values of tangible assets exceed their recoverable amount, the difference (impairment) is immediately recognized in the statement of comprehensive income as an expense (note 2.11).

Assets up to a value of €1,500 fully depreciated during the year they are acquired.

Upon the sale of PPE, any difference between the proceeds and their net book value is recorded as gain or loss in the statement of comprehensive income.

2.8 Leases

The Group and the Company as a lessee

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group and the Company apply a single recognition and measurement approach for all leases (including short-term leases and leases of low-value assets). The Group and the Company recognize lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group and the Company recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets. If ownership of the leased asset is transferred to the Group or the Company at the end of the lease term or its cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated and separate statement of financial position.

The right-of-use assets are also subject to impairment, as described in note 2.11.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the statement of comprehensive income in the period in which the event or condition that triggers those payments occurs.

ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognize lease liabilities measured at the present value of lease payments that are not paid at that date. The lease payments will be discounted using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Group and the Company will use the incremental borrowing rate.

At the commencement date of the lease period, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date of the lease period:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be paid by the lessee under the residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability.

In calculating the present value of lease payments, the Group and the Company use the incremental borrowing rate because the interest rate implicit in the lease is not readily determinable.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Lease liabilities are presented as a separate line in the consolidated and separate statement of financial position.

Interest on the lease liability is allocated during the lease term in such a manner so that the amount produces a constant periodic rate of interest on the remaining balance of the lease liability.

After the commencement date of the lease period, the Group and the Company recognise in profit or loss (unless the costs are included in the carrying amount of another asset applying other applicable Standards) both:

(a) interest on the lease liability; and
(b) variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

2.9 Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interest and the fair value of any other participation previously held in the subsidiary acquired over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the amount recognized for non-controlling interest and the fair value of any other participation previously held in the subsidiary acquired the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing goodwill is allocated to cash generating units. Allocation is made to those units or cash generating unit groups, which are expected to benefit from the business combinations which generated goodwill, irrespective of whether other assets or liabilities of the acquire are assigned to those units. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Where goodwill forms part of a cash-generating unit and part of the operation of this unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.10 Intangible assets

Intangible assets include costs of purchased and internally generated software.

An intangible asset is initially recognized at cost. Following initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment loss.

Amortization is calculated based on the straight-line method over the estimated useful life of the asset.

The gain or loss arising on the disposal of an acquired intangible asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognized in the statement of comprehensive income.

Purchased intangible assets

Purchased intangible assets acquired separately are capitalised on the basis of the costs incurred to acquire and bring the specific software into use, while those acquired from a business combination are capitalised at fair value on the date of acquisition.

Research and development costs

Research costs and costs associated with maintaining computer software are recognized as an expense as incurred. Development expenditure is mainly incurred for developing software. Costs incurred for the development of an individual project are recognised as an intangible asset only when the following criteria IAS 38 “Intangible Assets” are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the internally generated software include costs such as payroll, materials and services used and any other expenditure directly incurred in developing computer software and in bringing the software into its intended use.

Following initial recognition, development expenditure is carried at cost until the asset is ready for its intended use at which time all costs incurred for that asset are transferred to intangible assets or machinery and are amortised over their average useful lives.

Intangible assets with finite useful lives are being amortised using the straight-line method over their estimated useful lives. The useful lives and residual values of intangible assets are reassessed on an annual basis. Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Classification of Intangible asset	Years
Software & Software development cost	5

2.11 Impairment of non-financial assets

Assets with an indefinite useful life, such as goodwill, are not amortized and are subject to impairment testing on an annual basis, or when certain events or changes to the circumstances suggest that their carrying value may not be recoverable. Assets that are depreciated are subject to impairment testing when indications exist that their book value is not recoverable. Impairment loss is recognized for the amount by which the fixed asset's carrying value exceeds its recoverable value. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value- in- use.Any non-financial assets, other than goodwill, which have been impaired in prior financial years, are reassessed for possible impairment reversal on each balance sheet date.

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i) Initial recognition of financial assets

The Group and the Company classify its financial as financial assets measured at amortized cost.

The classification of financial assets at initial recognition depends on the contractual cash flow of the financial assets and the business model within which the financial asset is held.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company has applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset that is not measured at fair value through profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company has applied the practical expedient are measured at the transaction price as determined by IFRS 15.

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. This assessment is referred to as the 'solely payments of principal and interest' (SPPI) test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how the Group manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

ii) Subsequent measurement of financial assets

Financial assets at amortised cost

The Group and the Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables.

iii) Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; Or

- The Group and the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group and the Company transfers a financial asset if, and only if, it either:

- transfers the contractual rights to receive the cash flows of the financial asset; Or

- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

When the Group and the Company transfers a financial asset, it shall evaluate the extent to which retains the risks and rewards of ownership of the financial asset.
In this case:

- if the Group and the Company transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.
- if the Group and the Company retains substantially all the risks and rewards of ownership of the financial asset, the Group shall continue to recognise the financial asset.

- if the Group and the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, shall determine whether it has retained control of the financial asset. In this case:

(i) if the Group and the Company has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

(ii) if the Group and the Company has retained control, it shall continue to recognise the financial asset to the extent of its continuing involvement in the financial asset.

iv) Impairment of financial assets

The Group and the Company assess at each reporting date, whether a financial asset or group of financial assets is impaired and recognize, if necessary, an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected credit loss in relation to contract assets, is measured based on the expected early contract termination rate, the penalty for early termination and its collectability rate.

For all other Group's and the Company's financial assets at amortized cost, the general approach is applied.

Financial liabilities

i) Initial recognition and subsequent measurement of financial liabilities

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For the purpose of subsequent measurement, financial liabilities are classified as financial liabilities at amortised cost.

ii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when the Group or the Company has a legally enforceable right to offset the recognised amounts and intends either to settle such asset and liability on a net basis or to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined based on the yearly weighted average price. Net realisable value is the estimated selling price in the ordinary course of business, less any selling expenses. Provision for slow moving or obsolete inventories is formed if deemed necessary.

2.14 Restricted cash

Restricted cash is cash not available for use. This cash cannot be used by the Company until a specific period of time passes or a specific event takes place in the future. In cases whereby restricted cash is expected to be used within a year from the balance sheet date, it is classified as current asset. If, however, the restricted cash is not expected to be used within a year from the balance sheet date, then it is classified as non-current asset.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits and short-term investments of up to 3 months, with high liquidity and low risk.

2.16 Share capital and share premium

Share capital consists of the ordinary shares of the Company.Share capital is determined using the nominal value of shares that have been issued. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as share premium in shareholders' equity. Share capital issuance costs, net of related tax, are reflected as a deduction from share premium.

2.17 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. After initial recognition are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, as well as, over the period of the borrowings through the effective interest rate amortisation process.

Borrowing costs are expensed in the period in which they incur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 Current and deferred income tax

Income tax for the period comprises current and deferred tax. Tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is measured on the taxable income for the year using enacted or substantively enacted tax rates at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income taxes is provided on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences except:

- where the deferred tax liability arises from the initial recognition of goodwill, of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax losses, to the extent that is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of goodwill of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of temporary differences associated with investment in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realized or liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

2.19 Employee benefits

(a) Post-employment benefits

The Group operates various post-employment schemes including both defined contribution and defined benefit plans. Payments are defined by the applicable local legislation and the fund's regulations.

Defined contribution plan

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Group pays contributions to publicly administered pension insurance plans on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plans

Defined benefit plan is a pension plan which defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability of the defined benefit plan is calculated annually by an independent actuary with the use of the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The current service cost of the defined benefit plan which is recognized in the statement of comprehensive income in employee benefit expense reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. Past-service costs are recognized immediately in the income statement.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Actuarial gains or losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise.
Past-service costs are recognized immediately in the income statement.

As discussed in Note 2.3, the Company changed its accounting policy with respect to the measurement of the retirement benefit obligations of its employees during the year.

(b) Employment termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

In case of termination of employment where the number of employees who will use such benefits cannot be determined, the benefits are disclosed as contingent liabilities and are not accounted for.

2.20 Provisions and contingencies

Provisions are recognized when the Group or the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are measured by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase of the provision due to the passage of time is recognized as a borrowing cost. Provisions are reviewed at each reporting date, and if it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, they are reversed. Provisions are used only for expenditures for which they were originally recognized. No provisions are recognized for future operating losses.

Contingent liabilities are not recognised in the financial statements but are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in the financial statements but are disclosed when an inflow of economic benefits is probable.

2.21 Revenue recognition

(a) Revenue from contracts with customers

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and discounts. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Control over goods sold and services rendered is transferred to the customer upon delivery of the respective products or service respectively. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue is recognised as follows:

Provision of services

For provision of services, revenue is recognised in the accounting period in which the services are rendered, as the customer obtains control over the promised services, by reference to stage of completion of each specific performance obligation and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Sales of goods

Revenue is recognized when a contractual promise to a customer (performance obligation) is fulfilled by transferring the promised goods (which is when the customer obtains control over the promised goods).

Contract assets

When the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, excluding any amounts presented as a receivable. A contract asset is the Group’s right to consideration in exchange for goods or services that the entity has transferred to a customer.

Contract liabilities

When customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

If customer pays consideration, or the entity has a right to an amount of consideration that is unconditional, before the entity transfers a good or service to the customer, the Company presents the contract as a contract liability when the payment is made, or the payment is due (whichever is earlier).

Incremental costs of obtaining a contract are expensed as incurred.

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method. In case of impairment of borrowings and receivables, interest income is recognized using the rate which discounts future flows for impairment purposes.

2.22 Earnings/(loss) per share

Basic earnings/(loss) per share are computed by dividing the profit/(loss) for the year attributable to the shareholders of the parent by the weighted average number of ordinary shares outstanding during each year.

Diluted earnings/(loss) per share are computed by dividing the profit/(loss) for the year attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during each year adjusted for the impact of share-based payments.

2.23 Dividend distribution

Dividend declared to the shareholders is recognised as a liability in the period they are approved by the General Assembly of the Company's shareholders.

2.24 Reclassifications

There have been reclassifications within Lease liabilities in the Group's and Company's Statement of Financial Position so that the information provided can be compared with those of the current financial year.

The above reclassifications have no impact on the net assets and the results of the Group and the Company.

3. Financial risk management

3.1 Financial risk factors

The Group is exposed to a variety of financial risks, such as market risks (foreign exchange risk, interest rate risk, etc.), credit risk and liquidity risk. Financial risks are associated with the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables and borrowings.

(a) Market risk

i) Foreign exchange risk

Foreign exchange risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. 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.

ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates. The Group's exposure to the risk of changes in interest rates relates to the Group's bank borrowings, which are at floating rates. Management monitors on a continuous basis, fluctuations in interest rates and evaluates the need for taking relevant positions to hedge against such risks.

(b) Credit risk

Credit risk is the risk of financial loss to the Group and the Company if a counterparty fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and trade and other receivables. For banks and financial institutions only well established with good reputation parties are accepted and the Company set limits to the degree of exposure for each financial institution. 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 for which the effective control of credibility is not always easy. Therefore, the Company continuously develops and further evolves its internal risk management mechanisms to fully confront this risk. Consequently, this risk, although real in view of the general adverse economic environment is currently assumed as controlled.

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations as they fall due. Liquidity risk is kept at low levels by ensuring that there is sufficient cash on demand and / or credit facilities to meet the financial obligations falling due in the next 12 months. The Group has sufficient undrawn borrowing facilities that can be utilized to fund any potential shortfall in cash resources. For the monitoring of the liquidity risk, the Group prepares cash flows forecasts on a frequent basis to ensure it has sufficient cash to meet its needs.

The table below analyses the Group's and Company's financial liabilities as of 31 December 2021 and 2020 into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the undiscounted contractual cash flows.

GROUP	**31 December 2021**				
	MATURITY OF FINANCIAL LIABILITIES				
	Within 1 year	**From 1 to 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Trade payables	1,898,383	-	-	-	**1,898,383**
Other current liabilities	522,913	-	-	-	**522,913**
Lease liabilities	360,262	284,453	120,480		**765,194**
Borrowings	212,953	101,104	215,425		**529,482**

GROUP	**31 December 2020**				
	MATURITY OF FINANCIAL LIABILITIES				
	Within 1 year	**From 1 to 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Trade payables	1,757,824	-	-	-	**1,757,824**
Other current liabilities	433,564	-	-	-	**433,564**
Lease liabilities	406,017	339,767	332,567		**1,078,351**
Borrowings	411,641	104,403	293,418	23,112	**832,573**

COMPANY	**31 December 2021**				
	MATURITY OF FINANCIAL LIABILITIES				
	Within 1 year	**From 1 to 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Trade payables	1,901,603	-	-	-	**1,901,603**
Other current liabilities	493,823	-	-	-	**493,823**
Lease liabilities	360,262	284,453	120,480	-	**765,194**

Borrowings	212,953	101,104	215,425	0	**529,482**

COMPANY	31 December 2020				
	MATURITY OF FINANCIAL LIABILITIES				
	Within 1 year	**From 1 to 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Trade payables	1,757,824	-	-	-	**1,757,824**
Other current liabilities	299,666	-	-	-	**299,666**
Lease liabilities	406,017	339,767	332,567	-	**1,078,351**
Borrowings	411,641	104,403	293,418	23,112	**832,573**

Lease liabilities and borrowings are not in agreement with the respective amounts shown in the financial statements as they are contractual (undiscounted) cash flows, which include capital and interest.
Other current liabilities do not correspond to the amount shown in the statement of financial position as they include only financial liabilities. They do not include advances from customers, contract liabilities and social security.

3.2 Capital management

The primary objective of the Group's and Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business plans and maximize shareholder value. An important means of managing capital is the use of the gearing ratio (ratio of net debt to equity). Net debt includes interest bearing borrowings, as well as long-term and short-term lease liabilities less cash and cash equivalents.

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Long-term borrowings	297,770	389,392	297,770	389,392
Short-term borrowings	191,622	371,622	191,622	371,622
Long-term lease liabilities	395,913	586,118	395,913	586,118
Short-term lease liabilities	341,335	352,225	341,335	352,225
Cash and cash equivalents	(1,676,697)	(1,009,325)	(1,647,393)	(989,903)
Net debt	**(450,058)**	**690,031**	**(420,754)**	**709,454**
Total equity	**4,065,315**	**3,137,494**	**4,353,985**	**3,412,075**
Net debt to equity	-0.111	0.220	-0.097	0.208

3.3 Other risks

Coronavirus risk

Many countries -including Greece- cope with the continuing impact of the Covid-19 pandemic. The Company has implemented a cross functional, company-wide 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 proactive and reactive 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. 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.

Geopolitical Risks

The recent geopolitical events in Ukraine, the military actions from Russia and the subsequent response from European Union and European countries as well as the United States in the form of economic sanctions are affecting global energy markets and macroeconomic conditions in general. There is no exposure of the Group to either Russia or Ukraine, resulting in no direct effect from latest developments. Any effect is only indirect, related to the high energy cost and inflationary pressures along with the subsequent negative impact on our customers' disposable income. The Group is following developments around the crisis in Ukraine and is planning accordingly.

4. Important accounting estimates and judgements

The preparation of the Financial Statements requires the use of accounting estimates and judgements. Although these estimates and judgements are based on Management's best knowledge of current events and actions, as well as historical experience, actual events may ultimately differ from those estimates.

Significant accounting estimates and assumptions that involve important risk of causing future material adjustments to the assets' and liabilities' carrying values are discussed below:

(a) Income taxes

The provision for income taxes in accordance with IAS 12 "Income taxes", are the amounts expected to be paid to the taxation authorities and includes provision for current income taxes reported and the potential additional tax that may be imposed as a result of audits by the taxation authorities. Group entities are subject to income taxes in different jurisdictions and significant management judgment is required in determining provision for income taxes. Actual income taxes could vary from these estimates due to future changes in income tax law, significant changes in the jurisdictions in which the Group and the Company operate, or unpredicted results from the final determination of each year's liability by tax authorities.These changes could have a significant impact on the Group's and the Company's financial position. Where the actual additional taxes payable are different from the amounts that were initially recorded, these differences will impact the income tax and deferred tax provisions in the period in which such a determination is made.

Deferred income tax assets and liabilities have been provided for the tax effects of temporary differences between the carrying amount and tax base of such assets and liabilities, using enacted tax rates in effect in the years in which the differences are expected to reverse. Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized. The accounting estimate related to deferred tax assets requires management to make assumptions regarding the timing of future events, including the probability of expected future taxable income and available tax planning opportunities.

(b) Provision for expected credit losses of trade receivables

Management periodically reassess the adequacy of allowance for doubtful accounts receivable following an expected credit losses ('ECLs') approach. Because of the number of accounts, it is not practical to review the collectability of each account. Therefore, at each reporting date, the expected loss rate is assessed on the basis of historical credit losses adjusted to reflect current and forward-looking information. ECLs are based on the difference between the contractual cash flows due and all the cash flows that the Group expects to receive taking into consideration reports from its legal department.

(c) Provision for legal cases

For the allowance of legal cases management assesses the probability of negative outcome, as well as possible payment amounts for their settlement.

(d) Useful life of Depreciated assets

The Group's assets (Property Plant and Equipment, Intangible assets, Right-of Use) 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.

(e) Impairment testing of intangible assets

The carrying values of intangible assets are assessed for indications of impairment on an annual basis the recoverable amount of the asset is estimated based on value in use calculation. The impairment test is a complex process requiring significant management judgment and is based on key assumptions about future profitability and cash flows and selecting the appropriate discount and long-term growth rates. The subjectivity involved in the key assumptions used by Management in the impairment review and the inherent uncertainty of those assumptions is high.

(f) Impairment testing of investment in subsidiaries

The Company's Management evaluates on a annual basis whether there are indications of impairment of investments in subsidiaries. If there are such indications, Management calculates the recoverable amount as the higher of fair value and value in use. The impairment test is a complex process requiring significant management judgment and is based on key assumptions about future profitability and cash flows and selecting the appropriate discount and long-term growth rates. The subjectivity involved in the key assumptions used by Management in the impairment review and the inherent uncertainty of those assumptions is high.

(g) Recognition of costs for development of software programmes

Costs that are directly associated with development of software programmes controlled by the Group, are ecognized as intangible assets in the financial statements only when it is more than probable that the economic benefits that will be generated from these intangible assets will flow to the Group. In the assessment of future economic benefits the Group takes into account the technical possibility to complete the intangible asset in order to bring it to use or sale, the existence of market for the product that the intangible asset produces or if it this is to be used internally the usefulness of the intangible asset as well as the possibility or reliable measurement of the expenses that will be allocated to the intangible asset incurred over its development.

5. Group segment information

The Group's primary segment reporting is categorized by business activity because the risk and profitability of the Group are mainly affected by the type of the product and services offered.

As of the beginning of 2019, the Company, in accordance with the Strategic Business Plan for 2019-2021, operates under three business segments "Fintech & Analytics", "Cyber Security Operations" and "Systems Engineering". This structure 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. Internal resources are aligned, as well as, the product portfolios of the sectors and to pursue large scale projects and critical business transactions.

The Group's and Company's key operating segments are:

1) Fintech and Analytics

Design and development of a unique ecosystem for Intelligent Factoring and Supply Operators with fully customized Business Intelligence & Risk Management modules using top-notch technologies such as Blockchain and IoT. In an ever-changing big-data landscape where the need for decision making is overwhelming for all service organizations, our almost 20-year experience in the field is transformed into valuable solutions that meet your day-to-day demands.

2) Cyber Security Operations

In a world of viruses, malwares, and hacktivists, Neurosoft has compiled a suite of practical and technologically advanced tools and methods to significantly enhance the protection of mission-critical data. Company's offering is growing, aiming primarily at a Service-oriented model rather than a solely product-based one. The Company focuses on niche market segments and solutions, capitalizing the Company's strong software development background in order to develop a unique in-house offering.

3) Systems Engineering

Neurosoft has vast experience in designing, implementing, and supporting mission-critical networks & systems and ICT projects. The ICT department is the main driver of new solutions and services for the existing and future telecom and IT needs of our customers. Training and research are paramount values for the department, which apart from the design and implementation of new solutions undertake the mission of supporting our carrier-grade customers with sensitive SLAs.

The Field Services Department aims at providing implementation and support services on strict Service Level Agreements. Field services have grown substantially over the past couple of years both in terms of geographical coverage and breadth of technologies. Neurosoft today has the capacity to provide services throughout the country for technologies ranging from IT&T (Fixed Access, Microwave, Optical Transport, IT) to non-IT&T (Air-conditioning, Power) environments, utilizing its own personnel and a selective network of partners covering the respective needs of our customers.

Accounting policies of the operating segments are the same as those followed for the preparation of the financial statements. Intersegment transfers or transactions are conducted under normal commercial terms and conditions that would also apply to independent third parties.

Segment information and reconciliation to the Group's consolidated figures for the years ended December 31, 2021 and 2020 is analyzed as follows:

01.01.2021 - 31.12.2021	Fintech and Analytics	Cyber Security Operations	Systems Engineering	Total
Revenue	1,026,730	2,089,769	12,644,943	15,761,441
Cost of sales	(918,104)	(1,868,889)	(9,450,726)	(12,237,720)
Gross profit	**108,626**	**220,879**	**3,194,216**	**3,523,723**
Operating Profit/(Loss)	**330,047**	**(97,867)**	**664,386**	**896,566**

01.01.2020 - 31.12.2020 Restated	Fintech and Analytics	Cyber Security Operations	Systems Engineering	Total
Revenue	647,282	1,411,713	12,679,217	14,738,212
Cost of sales	(1,689,959)	(1,783,259)	(10,619,488)	(14,092,707)
Gross (loss) / profit	**(1,042,677)**	**(371,546)**	**2,059,729**	**645,505**
Operating Profit/(Loss)	**(1,514,410)**	**(682,667)**	**(547,975)**	**(2,745,052)**

* Fintech and Analytics segment includes the operating results of Company's subsidiaries "TensorFin Single Member SA" and "Daedalus Technologies FZE", for which on 11.10.2021 the Shareholders' General Meeting of NEUROSOFT S.A. approved the sale of 100% of the outstanding shares

6. Property, plant and equipment

Property, plant and equipment are analyzed as follows:

		GROUP & COMPANY				
	Note	Buildings	Machinery	Motor Vehicles	Furniture and other equipment	Total
Cost						
1 January 2020		**490,726**	**82,187**	**3,218**	**982,493**	**1,558,624**
Additions		8,550	9,550	-	158,992	177,092
Disposals / Write-offs		-	-	-	(50,896)	(50,896)
31 December 2020		**499,276**	**91,737**	**3,218**	**1,090,589**	**1,684,820**
Additions		-	500	-	48,196	48,696
Disposals / Write-offs		-	-	-	(143,760)	(143,760)
31 December 2021		**499,276**	**92,237**	**3,218**	**995,026**	**1,589,756**
Accumulated depreciation						
1 January 2020		**(235,723)**	**(31,672)**	**(2,073)**	**(846,510)**	**(1,115,978)**
Depreciation expense	25	(50,510)	(7,453)	(368)	(82,282)	(140,613)
Disposals / Write-offs		-	-	-	50,896	50,896
31 December 2020		**(286,233)**	**(39,125)**	**(2,441)**	**(877,895)**	**(1,205,695)**
Depreciation expense	25	(49,879)	(8,510)	(368)	(72,986)	(131,744)
Disposals / Write-offs		-	-	-	143,752	143,752
31 December 2021		**(336,113)**	**(47,635)**	**(2,809)**	**(807,129)**	**(1,193,687)**
Net book value at 31.12.2020		**213,043**	**52,611**	**777**	**212,693**	**479,124**
Net book value at 31.12.2021		**163,164**	**44,601**	**408**	**187,896**	**396,068**

There is no property, plant and equipment pledged as security.

7. Right-of-use assets and Lease liabilities

Right-of-use assets are analyzed as follows:

	Note	GROUP & COMPANY		
		Buildings	**Motor Vehicles**	**Total**
Cost				
1 January 2020		**867,117**	**651,183**	**1,518,300**
Additions		32,831	219,763	252,594
Other movements		-	(13,019)	(13,019)
Termination of leases		(135,466)	-	(135,466)
31 December 2020		**764,482**	**857,927**	**1,622,409**
Additions		16,872	166,019	182,892
Other movements		27	(3,253)	(3,225)
31 December 2021		**781,382**	**1,020,694**	**1,802,075**
Accumulated depreciation				
1 January 2020		**(173,531)**	**(190,093)**	**(363,624)**
Depreciation expense	25	(180,868)	(209,406)	(390,274)
Termination of leases		45,155	-	45,155
31 December 2020		**(309,244)**	**(399,499)**	**(708,743)**
Depreciation expense	25	(159,885)	(223,520)	(383,406)
31 December 2021		**(469,129)**	**(623,019)**	**(1,092,148)**
Net book value at 31.12.2020		**455,238**	**458,428**	**913,666**
Net book value at 31.12.2021		**312,253**	**397,674**	**709,927**

The consolidated and separate statement of financial position as of 31 December 2021 and 2020 include the following amounts related to lease liabilities:

	GROUP & COMPANY	GROUP & COMPANY
	31.12.2021	**31.12.2020**
Lease liabilities (short-term portion)	341,335	352,225
Lease liabilities (long-term portion)	395,913	586,118
Total lease liabilities	**737,247**	**938,343**

As referred to in note 2.2 the Group has applied the practical expedient provided by the IFRS 16 amendment to all rent concessions occurring as a direct consequence of the Covid-19 pandemic, which all meet the conditions provided in the amendment.

The Company has benefited from a 40% reduction of lease payments on buildings for the months from January to April 2021. The effect of the 40% discount of lease payments of €22,991 has been accounted for as a negative variable lease as negative variable lease payments that are not dependent on an index or a rate and not as a lease modification in statement of comprehensive income under “Other income / (expenses) – net” (Note 26).

The maturity analysis of lease liabilities is presented below:

	GROUP & COMPANY	GROUP & COMPANY
	31.12.2021	**31.12.2020**
Lease liabilities-minimum lease payments		
Up to 1 year	360,262	406,017
1 to 5 years	404,932	672,334
Total	**765,194**	**1,078,352**
Less: Future finance cost of lease liabilities	(27,947)	(140,008)
Present value of lease liabilities liabilities	**737,247**	**938,343**

The present value of lease liabilities is analyzed below:

	GROUP & COMPANY	GROUP & COMPANY
	31.12.2021	31.12.2020
Up to 1 year	341,335	352,225
1 to 5 years	395,913	586,118
Total	**737,247**	**938,343**

8. Intangible assets

Intangible assets are analyzed as follows:

	Note	GROUP		
	Note	Software	Software development cost	Total
Cost				
1 January 2020		**407,245**	**7,228,730**	**7,635,974**
Additions		70,149	-	70,149
31 December 2020		**477,393**	**7,228,730**	**7,706,123**
Additions		220,093	-	220,093
Disposal of subsidiary		-	(811,440)	(811,440)
31 December 2021		**697,486**	**6,417,289**	**7,114,776**
Accumulated amortisation and impairment				
1 January 2020		**(282,316)**	**(4,074,786)**	**(4,357,102)**
Amortization charge	25	(59,118)	(995,610)	(1,054,728)
Impairment charge		-	(261,088)	(261,088)
31 December 2020		**(341,433)**	**(5,331,485)**	**(5,672,918)**
Amortization charge	25	(172,198)	(774,604)	(946,802)
Disposal of subsidiary		-	326,527	326,527
31 December 2021		**(513,632)**	**(5,779,561)**	**(6,293,193)**
Net book value at 31.12.2020		**135,960**	**1,897,245**	**2,033,205**
Net book value at 31.12.2021		**183,855**	**637,728**	**821,583**

After the sale of subsidiary at 31.12.2021 an amount of €484,913 has been disposed of the Group's intangible assets (note 10).

		COMPANY		
	Note	Software	Software development cost	Total
Cost				
1 January 2020		**407,245**	**7,228,730**	**7,635,974**
Additions		70,149	-	70,149
Disposals / write-offs		-	-	-
31 December 2020		**477,393**	**7,228,730**	**7,706,123**
Additions		220,093	-	220,093
Transferred to subsidiary		(7,943)	(1,941,570)	(1,949,513)
31 December 2021		**689,543**	**5,287,159**	**5,976,703**
Accumulated amortisation and impairment				
1 January 2020		**(282,316)**	**(4,074,786)**	**(4,357,102)**
Amortization charge	25	(59,118)	(995,610)	(1,054,728)
Impairment charge		-	(261,088)	(261,088)
31 December 2020		**(341,433)**	**(5,331,485)**	**(5,672,918)**
Amortization charge	25	(172,198)	(626,828)	(799,027)
Transferred to subsidiary		6,955	1,309,870	1,316,825
31 December 2021		**(506,677)**	**(4,648,443)**	**(5,155,120)**
Net book value at 31.12.2020		**135,960**	**1,897,245**	**2,033,205**
Net book value at 31.12.2021		**182,867**	**638,716**	**821,583**

After the spin-off of a specific sector of the Company operations with the intention to create a new legal entity for the spin off an amount of €632,688 has been disposed of the Company's intangible assets.

9. Goodwill

	31.12.2021	31.12.2020
Opening Balance	113,408	-
Acquisition of Daedalus	-	113,408
Disposal of subsidiary	(113,408)	-
Closing balance	-	**113,408**

Disposal of subsidiary

On 11.10.2021, the Shareholders' General Meeting of NEUROSOFT S.A. approved the sale of 100% of the outstanding shares of DAEDALUS TECHNOLOGIES FZE.As a result of the sale of the Company, as described in note 10.

10. Investment in subsidiaries

Subsidiaries of the Company are analyzed as follows:

	31.12.2021		31.12.2020	
Company Name	**Value of participation**	**% of participation**	**Value of participation**	**% of participation**
NEUROSOFT CYPRUS LTD	242,930	100%	242,930	100%
NEUROSOFT ROMANIA SRL*	-	95%	-	95%
TENSORFIN SINGE MEMBER SA**	-	0%	-	0%
DAEDALUS TECHNOLOGIES FZE	-	0%	155,869	100%
	242,930		**398,799**	

* The Company holds a stake of 95% indirectly in Neurosoft Romania SRL through its subsidiary Neurosoft Cyprus Ltd.

At the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment loss.

Investments in subsidiaries movement is as follows:

	31.12.2021	31.12.2020
Opening Balance	**398,799**	**542,931**
Acquisition of Daedalus	-	85,869
Incorporation of Tensorfin through spin-off of Fintech sector	752,060	-
Share capital increase of subsidiary	-	70,000
Disposal of Subsidiaries	(907,929)	-
Impairment losses	-	(300,000)
Closing Balance	**242,930**	**398,799**

Incorporation and subsequent disposal of Tensorfin Single Member S.A.

The spin-off procedure of TensorFin Single Member S.A was completed on June 14, 2021, upon registration in the Greek General Commercial Registry (G.E.MI.) of the Beneficiary Entity under the corporate name "TensorFin Software Production Single Member Société Anonyme", with the distinctive title "TensorFin Single Member SA". All the data resulting from the Transformation Balance Sheet date up to the date of completion of the spin-off process ("Transitional period") are transferred to the Beneficiary Entity on the date of completion of the demerger. Following the completion of the spin-off process, the Beneficiary Entity was a wholly-owned (100%) subsidiary of the Company with no effect on the Group's ownership interest. As we described below on October 2021 the subsidiary was sold to a third party.

Following the completion of the process, the assets and liabilities, as they have been formed on June 14, 2021 were transferred from the Company to the new incorporated entity "Tensorfin Single Member SA", as follows:

Investments in subsidiaries

Balances at the spin-off date (June 14, 2021)	**Neurosoft SA**	**Tensorfin Single Member SA**
ASSETS		
Non-current assets		
Intangible assets	(632,688)	632,688
Investments	752,060	-
	119,372	**632,688**
Current assets		
Trade receivables	(164,502)	164,501.91
Other current assets	(12,569)	12,568.93
	(177,071)	**177,071**
Total assets	**(57,699)**	**809,759**
EQUITY		
Share capital	-	752,060
Reserve created due to spin-off of Fintech sector	254,606	(254,606)
Transfer of accumulated loss of transitional period of spin-off of Fintech sector	176,179	(176,179)
Total equity	**430,785**	**321,275**
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	(135,497)	135,497
Employee benefit plans	(68,438)	68,438
	(203,935)	**203,935**
Current liabilities		
Trade payables	(75,780)	75,780
Other current liabilities	(208,769)	208,769
	(284,549)	**284,551**
Total liabilities	**(488,484)**	**488,484**
Total equity and liabilities	**(57,699)**	**809,761**

In December 2020, the Board of Directors of NEUROSOFT S.A. approved the spin-off of the Fintech sector of the Company operations with the intention to create a new legal entity for the spin off. The spin-off procedure was completed on 14.06.2021 and the new entity “TENSORFIN SINGLE MEMBER S.A.”, a 100% subsidiary of NEUROSOFT S.A. was created.

On 31.10.2021, following the approval of the Shareholders’ General Meeting of NEUROSOFT S.A. which took place on 11.10.2021, the sale of 100% of the outstanding shares of TENSORFIN SINGLE MEMBER S.A. and DAEDALUS TECHNOLOGIES FZE was completed for a purchase price of € 802,000 resulting in a gain of € 281,132 for the Group and 148,737 for the Company, which is included in the Statement of Comprehensive Income.

Following the completion of the disposal, the net assets ,the gain of disposal in the consolidated financial statement and the total consideration mentioned as follows:

	Tensorfin	**Daedalus**	**Total**
	31.10.2021	**31.10.2021**	**31.10.2021**
Consideration tranferred	752,000	50,000	802,000
Net assets disposed of	(407,827)	367	(407,460)
Goodwill	-	(113,408)	(113,408)
Gain on disposal	**344,173**	**(63,041)**	**281,132**

11. Other non - current assets

Other non-current assets are analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Guarantees	87,123	93,025	87,123	93,025
Total	**87,123**	**93,025**	**87,123**	**93,025**

12. Inventories

Inventories are analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Merchandise	382,689	147,484	382,689	147,484
Total	**382,689**	**147,484**	**382,689**	**147,484**

13. Trade receivables

Trade receivables are analyzed as follows:

		GROUP		COMPANY	
	Note	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Trade receivables		2,510,805	2,854,945	2,510,805	2,791,516
Trade receivables - Related parties	31	1,819,861	1,223,692	1,788,220	1,223,692
Cheques and notes receivable		79,774	61,084	79,774	61,084
Doubtful trade receivables		174,321	174,321	174,321	174,321
Other		82,506	-	82,506	-
Less: Allowance for doubtful trade receivable		(198,299)	(198,299)	(198,299)	(198,299)
Total		**4,468,969**	**4,115,743**	**4,437,328**	**4,052,314**

The fair value of trade receivables approximate their carrying values.

The movement on allowance for doubtful trade receivable is presented in the following table:

	GROUP AND COMPANY
1 January 2020	**(169,283)**
Increase of provision	(29,016)
31 December 2020	**(198,299)**
1 January 2021	**(198,299)**
Increase of provision	-
31 December 2021	**(198,299)**

The Group and the Company apply the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance for all trade receivables. To measured the expected credit losses trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables impairment provision of €198,299 as of 31 December 2021 and 2020 relates to trade receivables overdue for more than 1 year.

The ageing analysis of trade receivables as of December 31, 2021 and 2020 is the following:

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Not past due and not impaired	3,830,941	3,001,682	3,799,300	2,938,253
Overdue:				
Up to 3 months	658,128	655,649	658,128	655,649
3 - 6 months	7,349	143,628	7,349	143,628
6 months to 1 year	25,186	188,392	25,186	188,392
Over 1 year	145,663	324,691	145,663	324,691
	4,667,267	**4,314,042**	**4,635,627**	**4,250,613**
Less: Provision for impairment	(198,299)	(198,299)	(198,299)	(198,299)
Trade receivables - net	**4,468,969**	**4,115,743**	**4,437,328**	**4,052,314**

Trade receivables are denominated in the following currencies:

	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
EURO (EUR)	4,443,534	4,096,666	4,411,893	4,033,237
US DOLLAR (USD)	-	30	-	30
UNITED ARAB EMIRATES DIRHAM (AED)	25,435	19,048	25,435	19,048
	4,468,969	**4,115,743**	**4,437,328**	**4,052,314**

14. Other current assets

Other current assets are analyzed as follows:

		GROUP		COMPANY	
	Note	**31.12.2021**	**31.12.2020**	**31.12.2021**	**31.12.2020**
Prepaid expenses		684,901	411,777	771,379	347,570
Contract assets		13,010	85,500	13,010	85,500
Advances to suppliers/creditors		69,740	125,994	69,740	125,994
Advances to employees and other advances		5,861	5,522	5,861	5,522
Receivables from related parties	31	-	-	170,257	170,257
Other debtors		46,386	53,069	39,978	38,920
Less: Provision for impairment		(25,922)	(25,922)	(196,179)	(196,179)
Total		**793,975**	**655,940**	**874,044**	**577,585**

Other current assets are denominated in the following currencies:

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
EURO (EUR)	464,921	545,746	544,990	467,391
US DOLLAR (USD)	329,054	109,787	329,054	109,787
GB POUND (GBP)	-	279	-	279
ALBANIAN (LEK)	-	127	-	127
	793,975	**655,940**	**874,044**	**577,585**

15. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Cash in hand	11,940	4,483	11,940	4,010
Cash at bank	1,664,757	1,004,842	1,635,453	985,893
Total	**1,676,697**	**1,009,325**	**1,647,393**	**989,903**

The cash and cash equivalents are denominated in the following currencies:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
EURO (EUR)	1,675,523	993,612	1,646,220	988,812
Arab Emirates dirham (AED)	-	14,623	-	-
BRITISH POUND (GBP)	1,173	1,090	1,173	1,090
	1,676,697	**1,009,325**	**1,647,393**	**989,903**

16. Share capital

As of 31 December 2020, the Company's share capital amounted to €8,954,608, divided into 25,584,594 ordinary shares with a par value of €0.35 each.

On 14 June 2021, based on the decision of the Company's Ordinary General Meeting according to article 119 par.4 of Law 4548/2018, the reduction of Company's share capital was decided with the equivalent offsetting of previous years' accumulated losses amounting to €4,988,995.83 and the simultaneous reduction of the nominal value of Company's shares by the amount of €0.195. Following this capital reduction, the Company's share capital as of 31 December 2021 amounts to €3,965,612.07 divided into 25,584,594 ordinary shares with a par value of €0.155 each.

The major shareholders of the Company's share capital are as follows:

Shareholders	Number of shares	Percentage %
OPAP INVESTMENT LIMITED	9,770,444	38.19%
OPAP INTERNATIONAL LIMITED	6,401,241	25.02%
INTERNATIONAL GAME TECHNOLOGY PLC	4,176,537	16.32%
OPAP CYPRUS LIMITED	1,154,315	4.51%
FREE FLOAT	4,082,057	15.96%
Total	**25,584,594**	**100.00%**

17. Reserves

Other reserves are analysed as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Legal reserve	372,792	372,792	372,792	372,792
Foreign currency reserve	-	(4,366)	-	-
Special reserves	4,847	4,847	4,847	4,847
Total	**377,638**	**373,272**	**377,638**	**377,638**

Legal Reserve: Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the paid-in share capital. This reserve cannot be distributed through the life of the corporation.

Special Reserve: Under Greek corporate law, corporations may establish a special reserve without a particular purpose after the decision of the shareholders at their Annual General Meeting or if required by its Articles of Association. The special reserve has been created from non-distributed after-tax profits of previous years.

18. Borrowings

	GROUP AND COMPANY	
	31.12.2021	31.12.2020
Long-term borrowings		
Long-term bank borrowings	297,770	389,392
Total non-current borrowings	**297,770**	**389,392**
Short-term borrowings		
Short-term portion of long-term bank borrowings	91,622	91,622
Other short-term bank borrowings	100,000	280,000
Total current borrowings	**191,622**	**371,622**
Total borrowings	**489,392**	**761,013**

On 30 March 2016, the Company signed a supplemental agreement with Alpha Bank S.A. in order to amend the repayment terms of the outstanding balance of the loan as of that date of €916,216. According to the terms of this agreement, the loan is repayable within 10 years in 40 equal quarterly installments of €22,905.39, with the last installment payable on 31 December 2025. As of 31 December 2021, the outstanding balance of the loan amounts to €389,392. The loan is at floating rate based on 3 months Euribor, plus a margin of 3% and a contribution of 0,6%.

On 19 March 2018, the Company entered into a loan agreement with Eurobank SA, according to which the Bank created an open credit facility account for the Company with a credit limit of €1,500,000. On April 9 2021, the Company signed a supplemental agreement with Eurobank S.A., according to which the credit limit of the open credit facility account increased from €1,500,000 to €2,000,000. All other terms of the initial loan agreement with Eurobank S.A. remain unchanged. The facility is at floating rate, equal to the working capital base rate as announced by the Bank. As of December 31, 2021, the outstanding balance of the loan amounts to €100,000.

All Company borrowings are expressed in Euros.

The above loan agreements do not contain mortgages and pledges on the assets of the Company.

The movements in the Group's and Company's borrowings are as follows:

GROUP AND COMPANY	Year of maturity	31.12.2020 Book value	Repayments	31.12.2021 Book value
Loan, amount €916,216	2025	481,013	(91,622)	389,392
Open credit facility, €2,000,000		280,000	(180,000)	100,000
		761,013	**(271,622)**	**489,392**

Exposure to changes in interest rates and the dates of repricing are set out in the following table:

GROUP AND COMPANY	FLOATING INTEREST RATE		
	3 months	**6 months**	**Total**
31.12.2021			
Total borrowings	389,392	100,000	489,392
	389,392	**100,000**	**489,392**
31.12.2020			
Total borrowings	481,013	280,000	761,013
	481,013	**280,000**	**761,013**

The maturities of non-current borrowings are as follows:

	GROUP AND COMPANY	
	31.12.2021	**31.12.2020**
Between 1 and 2 years	91,622	91,622
2 to 5 years	183,244	274,866
Over 5 years	22,904	22,904
	297,770	**389,392**

19. Deferred taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets against the current tax liabilities and when the deferred income taxes concern the same tax authority. The offset amounts for the Group and the Company are the following:

	GROUP AND COMPANY	
	31.12.2021	**31.12.2020 Restated**
Deferred tax liabilities	(293,257)	(553,868)
Deferred tax assets	127,574	159,656
Net deferred tax liabilities	**(165,683)**	**(394,212)**

The movement in the deferred income tax account is as follows:

	GROUP AND COMPANY	
	31.12.2021	**31.12.2020 Restated**
Balance at beginning of year	**(394,212)**	**(621,369)**
Impact from spin-off/ sale of subsidiary	135,497	-
Charge recognised in statement of comprehensive income	98,971	227,452
Charge recognised in statement of other comprehensive income	(5,939)	(295)
Balance at end of year	**(165,684)**	**(394,212)**

Changes in deferred tax assets and liabilities during the year, without taking into account the offsetting of balances pertaining to the same tax authority, are the following:

Deferred tax liabilities

	Intangible assets	Total
1 January 2020	**(778,630)**	**(778,630)**
Recognized to the statement of comprehensive income	224,762	224,762
31 December 2020	**(553,869)**	**(553,869)**
1 January 2021	**(553,869)**	**(553,869)**
Impact from spin-off/ sale of subsidiary	150,554	150,554
Recognized to the statement of comprehensive income	110,057	110,057
31 December 2021	**(293,258)**	**(293,258)**

Deferred tax assets

	Leases	Employee benefit plans	Provisions for bad debts	Other	Total
1 January 2020	**3,582**	**28,573**	**36,386**	**88,720**	**157,261**
Recognized to the statement of comprehensive income	2,340	4,193	6,824	(10,668)	2,690
Recognized to other comprehensive income	-	(295)	-	-	(295)
31 December 2020	**5,923**	**32,471**	**43,210**	**78,053**	**159,656**
1 January 2021	**5,923**	**32,471**	**43,210**	**78,053**	**159,656**
Impact from spin-off/ sale of subsidiary	-	(15,056)	-	-	(15,056)
Recognized to the statement of comprehensive income	88	(505)	-	(10,670)	(11,087)
Recognized to other comprehensive income	-	(5,939)	-	-	(5,939)
31 December 2021	**6,010**	**10,971**	**43,210**	**67,383**	**127,574**

The Group and the Company does not recognize deferred tax assets on accumulated tax losses due to the uncertainty of the timing of available taxable profits against which these losses could be offset.

20. Employee benefit plans

Under Greek labor law, employees are entitled to termination payments in the event of dismissal or retirement with the amount of payment varying in relation to the employee's compensation, length of service and manner of termination (dismissed or retired). Employees who resign or are dismissed with cause are not entitled to termination payments. The indemnity payable in case of retirement is equal to 40% of the amount which would be payable upon dismissal without cause. In Greece, local practice is that pension plans are not funded. In accordance with this practice, the Company does not fund these plans.

The provision for staff retirement indemnity is reflected in the financial statements in accordance with IAS 19 "Employee Benefits" and is based on an independent actuarial study. The details and principal assumptions of the actuarial study for both the Group and the Company, as of 31 December 2021 and 2020 are as follows:

	GROUP AND COMPANY	
	31.12.2021	Restated 31.12.2020
Liabilities in the Statement of Financial Position for:		
Retirement benefits	49,865	135,293
Total	**49,865**	**135,293**

The amounts recognized in the Statement of Comprehensive Income are as follows:

	GROUP AND COMPANY	
Charge for:	**01.01.2021 - 31.12.2021**	**01.01.2020-31.12.2020 Restated**
Current service cost	22,105	19,638
Interest cost	401	582
Cost of settlements / cuts / special cases	17,020	83,747
Total	**39,526**	**103,966**

The movement in the liability recognized in the Statement of Financial Position is as follows:

	GROUP AND COMPANY	
	31.12.2021	**31.12.2020 Restated**
Opening balance	**135,292**	119,049
Current service cost	22,105	19,638
Interest cost	401	582
Cost of settlements / cuts / special cases	18,887	83,747
Benefits paid	(26,672)	(86,494)
Effect of spin-off	(68,438)	-
Actuarial losses	(31,710)	(1,229)
Closing balance	**49,865**	**135,292**

The principal actuarial assumptions used for accounting purposes are:

	GROUP AND COMPANY	
	31.12.2021	**31.12.2020**
Discount rate	0.60%	0.60%
Annual salary increase	2.00%	2.00%
Inflation rate	1.80%	1.50%

The sensitivity analysis of pension benefits against changes in principal assumptions is as follows:

	Effect on liability in financial year 2020		
	Change in assumption by	Increase in assumption	Decrease in assumption
Discount rate	0.50%	-5.09%	5.00%
Annual salary increase	0.50%	3.98%	-3.79%

21. Trade payables

Trade payables are analyzed as follows:

		GROUP		COMPANY	
	Note	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Trade payables		1,887,888	1,640,208	1,888,108	1,562,208
Trade payables - Related parties	31	10,495	82,131	13,495	160,131
Cheques payable		-	35,485	-	35,485
Total		**1,898,383**	**1,757,824**	**1,901,603**	**1,757,824**

The fair value of trade payables approximate their carrying values.

Payables are denominated in the following currencies:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
EURO (EUR)	1,799,986	1,700,435	1,803,205	1,700,435
US DOLLAR (USD)	98,398	56,951	98,398	56,951
GB POUND (GBP)	-	438	-	438
	1,898,383	**1,757,824**	**1,901,603**	**1,757,824**

22. Provisions

The analysis of provisions is as follows:

	GROUP AND COMPANY
Balance as at 01.01.2021	**13,900**
Reversals during the year	(13,900)
Balance as at 31.12.2021	**-**

The amount of €13,900 relates to the reversal of provision recorded for probable lawsuits against the Company by employees.

23. Other tax liabilities

Tax liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
VAT payable	523,375	508,711	522,130	500,737
Other taxes and duties payable	157,049	266,640	157,049	260,643
Total	**680,424**	**775,352**	**679,178**	**761,380**

24. Other current liabilities

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Social security liabilities	245,302	589,143	245,302	586,616
Contract liabilities	335,230	422,230	335,731	422,230
Advances from customers	24,859	12,876	24,859	12,876

Accrued expenses	480,364	251,321	461,165	234,942
Other current liabilities	42,549	182,243	32,658	64,724
Total	**1,128,303**	**1,457,813**	**1,099,715**	**1,321,388**

The fair value of other current liabilities approximate their carrying values.

25. Expenses per category

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

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	**01.01.2020 - 31.12.2020 Restated**	**01.01.2021 - 31.12.2021**	**01.01.2020 - 31.12.2020 Restated**
Payroll and related costs	6,689,996	7,059,203	6,371,528	6,848,792
Professional fees and services	3,518,076	4,271,082	3,695,103	4,379,792
Taxes and duties	14,130	10,004	12,180	6,279
Cost of sales of inventory and consumables	1,351,352	1,645,232	1,351,352	1,645,232
Impairment of inventory	-	552,118	-	552,118
Depreciation of PPE and right-of-use assets and amortization of intangible assets	1,461,952	1,585,615	1,314,176	1,585,615
Provisions for doubtful debts	-	29,016	-	199,273
Sundry expenses	2,453,984	2,523,471	2,412,170	2,472,017
Total	**15,489,490**	**17,675,741**	**15,156,508**	**17,689,117**

Sundry expenses are analyzed as follows:

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	**01.01.2020 - 31.12.2020 Restated**	**01.01.2021 - 31.12.2021**	**01.01.2020 - 31.12.2020 Restated**
Third party logistics-warehousing services	278,397	270,447	278,397	270,447
Third party transportation expenses	291,926	540,033	291,243	540,033
Subscriptions	573,881	281,393	574,776	281,393
Consumables	133,104	429,938	133,104	429,938
Third party expenses	102,796	146,431	96,968	140,759
Travel expenses	325,183	305,617	311,159	294,858
Advertising costs	44,410	68,265	43,482	68,265
Other expenses	704,288	481,346	683,041	446,324
	2,453,984	**2,523,471**	**2,412,170**	**2,472,017**

The increased amount of other expenses is associated with expenses related to the spin-off procedure of the TensorFin Single Member S.A.

The above expenses in the financial statements of the fiscal year 2021 and 2020 are presented as follows:

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	**01.01.2020 - 31.12.2020 Restated**	**01.01.2021 - 31.12.2021**	**01.01.2020 - 31.12.2020 Restated**
Cost of sales	12,237,718	14,092,707	11,981,322	13,972,089
Distribution expenses	1,131,051	1,265,170	1,104,412	1,422,662
Administrative expenses	2,120,721	2,317,864	2,070,773	2,294,367
Total	**15,489,490**	**17,675,741**	**15,156,508**	**17,689,117**

26. Other income

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Grants	158,264	90,000	158,264	-
Rental income	10,500	10,586	10,500	10,586
Other income	147,165	36,524	149,165	35,630
Total	**315,929**	**137,111**	**317,929**	**46,217**

27. Financial income / (expenses)

Financial income / (expenses) are analyzed as follows:

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated
Finance expenses				
Interest expense on bank borrowings	(25,008)	(34,670)	(25,008)	(34,670)
Interest expense on lease liabilities	(29,698)	(38,126)	(29,698)	(38,126)
Other finance expenses	(43,245)	(24,677)	(37,236)	(20,662)
Total finance expenses	**(97,951)**	**(97,473)**	**(91,942)**	**(93,458)**
Finance income				
Interest income	98	16,132	98	16,132
Total finance income	**98**	**16,132**	**98**	**16,132**
Total finance expenses - net	**(97,853)**	**(81,341)**	**(91,844)**	**(77,327)**

28. Payroll costs

Payroll cost in the accompanying financial statements is analysed as follows:

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated
Wages and salaries	5,313,572	5,491,199	5,032,858	5,304,090
Social security costs	1,169,818	1,293,041	1,139,101	1,271,070
Costs of employee benefit plans	32,737	113,599	30,778	113,599
Other staff costs	173,870	161,364	168,791	160,034
Total	**6,689,996**	**7,059,203**	**6,371,528**	**6,848,792**

The number of employees for the Group and the Company on 31 December 2021, amounted to 192. On 31 December 2020, the respective number of employees was 201 for the Group and 198 for the Company.

29. Income tax expense

The income tax charged to the Comprehensive income and and Other comprehensive income is analysed as follows:

Amounts recognised in profit / (Loss)

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated
Deferred tax – Effect due to change in the income tax rate	(21,237)	-	(21,237)	-
Deferred tax	(77,734)	(227,452)	(77,734)	(227,452)
Total	(98,971)	(227,452)	(98,971)	(227,452)

Amounts recognised in other comprehensive income as follows:

	01.01.2021 - 31.12.2021			01.01.2020 - 31.12.2020		
	Before tax	**Tax (debit) / credit**	**After tax**	**Before tax**	**Tax (debit) / credit**	**After tax**
Actuarial (losses) / gains	31,710	(6,976)	24,734	1,229	(295)	934
Effect of change in tax rate on actuarial gains	-	1,037	1,037	-	-	-
	31,710	**(5,939)**	**25,771**	**1,229**	**(295)**	**934**

According to Law 4799/2021, the corporate income tax rate in Greece is reduced from 24% to 22% for fiscal years 2021 onwards.

Due to the decrease of the income tax rate, the reassessment of deferred tax assets and liabilities resulted in a deferred tax income of € 21,237

Based on International Accounting Standard 12 “Income Taxes” deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply at the period of realization, provided they are enacted or substantively enacted at the reporting date.

Tax Compliance certificate

From the financial year 2011 and onwards, Greek Société Anonyme and Limited Liability Companies that are required to prepare audited statutory financial statements are subject to the “Annual Tax Certificate” process as provided for by paragraph 5 of Article 82 of law 2238/1994 and article 65a of law 4174/2013. This “Annual Tax Certificate” is issued by the same statutory auditor or audit firm that issues the audit opinion on the statutory financial statements. Upon completion of the tax audit, the statutory auditor or audit firm issues to the entity a "Tax Compliance Report" which is subsequently submitted electronically to the Ministry of Finance, by the statutory auditor or audit firm. For the Company, which is subject to the “Annual Tax Certificate” process, the respective Tax Compliance Reports for the years 2011 to 2020 have been issued and submitted with no substantial adjustments with respect to the tax expense and corresponding tax provision as reflected in the respective annual financial statements. It is noted that based on the tax legislation in force (Circular POL 1006/2016), the companies that have obtained a tax audit certificate without any reservations for infringements of the tax law, are not exempt from tax audit.

It is noted that based on the tax legislation in force (Circular POL 1006/2016), the companies that have obtained a tax audit certificate without any reservations for infringements of the tax law, are not exempt from tax audit. The right of the Greek State to audit and impose taxes and fines for the years until 2015 has been elapsed.

Tax liabilities for the years 2016-2020 are not considered to be final. However, a possible tax audit may impose further taxes and fines, the amount of which is not expected to be material.

The tax audit for the financial year 2021 is being performed by PricewaterhouseCoopers S.A. Upon completion of the tax audit, management does not expect that significant additional tax liabilities will arise, in excess of those provided for and disclosed in the financial statements.

Unaudited tax years

The Company's subsidiaries have not been audited for the fiscal years shown as follows:

Company Name	Unaudited tax years / periods
Neurosoft Cyprus Ltd.	2021
Neurosoft Romania Srl.	23/6/2008 – today

In a future tax audit of the unaudited tax years it is possible that additional taxes and penalties may be charged to Neurosoft and its subsidiaries. The Group is raising provisions for any additional taxes that may result from future tax audits to the extent that the relevant liability is probable and may be reliably measured. The Group believes that the provision of €54,336 that has been recognized for unaudited tax years is adequate.

The reconciliation of income tax is the following:

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated
Accounting profit / (loss) before tax	**798,713**	**(2,826,394)**	**640,989**	**(3,303,748)**
Tax calculated based on the tax rate applicable in the parent's country of establishment	175,717	(678,335)	141,018	(792,899)
Tax effect of non-tax-deductible expenses and non-taxable income	129,163	216,173	178,070	329,002
Effect of unrecognized deferred tax asset on tax losses carried forward	-	238,000	-	236,446
Use of tax losses from prior financial years	(385,655)	(1,714)	(396,822)	-
Effect from different tax rates applying in other countries where the Group operates	3,041	(1,577)	-	-
Tax effect due to change in tax rates	(21,237)	-	(21,237)	-
Tax	**(98,971)**	**(227,452)**	**(98,971)**	**(227,452)**

30. Earnings / Losses per share

Basic earnings/(losses) per share are computed by dividing the profit/(loss) for the year attributable to the shareholders of the parent by the weighted average number of ordinary shares outstanding during each year.
Diluted earnings/(losses) per share are computed by dividing the profit/(loss) for the year attributable to shareholders of the parent by the weighted average number of ordinary shares outstanding during each year adjusted for the impact of share-based payments.

The following reflects the net profit/(loss) and share data used in the basic and diluted earnings/(losses)per share computations as at December 31, 2021 and 2020:

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020 Restated
Net profit/(loss) attributable to the shareholders of the parent	**897,684**	**(2,598,942)**	**739,959**	**(3,076,296)**

Total weighted average number of ordinary shares	25,584,594	25,584,594	25,584,594	25,584,594
Adjusted weighted average number of ordinary shares for diluted loss per share	25,584,594	25,584,594	25,584,594	25,584,594
Profit/(Loss) per share - basic and diluted	**0.0351**	**(0.1016)**	**0.0289**	**(0.1202)**

31. Related parties

Related parties have been identified based on the requirements of IAS 24 “Related Party Disclosures”.

The Group includes all entities which Neurosoft controls, either directly or indirectly (See note 1). Transactions and balances between companies in the Group are eliminated on consolidation.
The Group’s financial statements are included in the consolidated financial statements of OPAP S.A. under the full consolidation method. Therefore, all companies, included in the OPAP Group, are also considered related parties.

a) Transactions with related parties

Related party transactions refer to the provision and purchase of services in the normal course of business. The aggregate amounts of sales and purchases from the beginning of the year with related parties under IAS 24, are as follows:

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Sales of services				
OPAP S.A.	7,709,464	8,133,056	7,709,464	8,133,056
OPAP Sports LTD	17,568	-	-	-
Tora Wallet Single Member S.A	11,932	25,320	11,932	25,320
Tensorfin S.A.	-	-	117,996	-
OPAP Cyprus LTD	61,088	496	-	496
	7,800,051	**8,158,872**	**7,839,392**	**8,158,872**

	GROUP		COMPANY	
	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020	01.01.2021 - 31.12.2021	01.01.2020 - 31.12.2020
Purchase of services				
Neurosoft Cyprus Ltd	-	-	-	85,000
Daedalus Technologies FZE	-	-	-	45,000
Tensorfin S.A.	-	-	269,443	-
Metasan S.A.	111,592	538,540	111,592	538,540
	111,592	**538,540**	**381,035**	**668,540**

Board of Directors and Key Management
The compensation of the members of the Board of Directors and key management personnel for the Group and the Company amounted to €915,551 (2020: €1,008,011).

Further to the above we note:
• No loans or credit facilities have been granted to the members of the Board of Directors or to other executive members of the Group (including their families).

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

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

b) Balances with related parties

The closing balances of receivables and liabilities at year end, which have resulted from transactions with related parties under IAS 24, are as follows:

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Trade receivables from related parties				
OPAP S.A.	1,788,220	1,222,477	1,788,220	1,222,477
Tora Wallet Single Member S.A	-	719	-	719
OPAP Cyprus LTD	30,106	496	-	496
OPAP Sports LTD	1,535	-	-	-
	1,819,861	**1,223,692**	**1,788,220**	**1,223,692**
Other receivables from related parties				
- Loans granted to related parties				
Neurosoft Cyprus Ltd	-	-	125,230	125,230
	-	**-**	**125,230**	**125,230**
Other receivables from related parties				
Neurosoft Cyprus Ltd	-	-	45,027	45,027
	-	**-**	**45,027**	**45,027**
Total other receivables from related parties	**-**	**-**	**170,257**	**170,257**

	GROUP		COMPANY	
	31.12.2021	**31.12.2020**	**31.12.2021**	**31.12.2020**
Trade payables to related parties				
Neurosoft Cyprus Ltd	-	-	3,000	33,000
Daedalus Technologies FZE	-	-	-	45,000
Metasan S.A.	10,495	82,131	10,495	82,131
	10,495	**82,131**	**13,495**	**160,131**

32. Audit fees

The auditors of the Company for the year 2021 and 2020 was the audit firm PRICEWATERHOUSECOOPERS S.A. The fees for auditing services and fees for the Tax Certificate for 2021 amount to €26,000 and €12,000 respectively and for 2020 amount to €25,000 and €12,000.

33. Contingencies

a) Legal cases

Third party claims against the Company

No legal proceedings have been initiated against the Company that are expected to have a significant effect on its financial position or the operations of the Company, and for this reason no provisions have been recognized

b) Guarantees

The Company has issued letters of guarantee to various beneficiaries to assure their liabilities. As at 31 December 2021 and 2020 issued letters of guarantee amounted to €988,048 and €971,450 respectively.

34. Subsequent events

OPAP ARENA

In August 2021, Neurosoft in response to an RFP issued by the Hellenic Republic Region of Attica submitted a proposal related to the construction of the OPAP Arena Football Stadium.

On 12 January 2022 the Company was awarded with a contract for the supply, installation, commissioning and maintenance of main operational EMC systems of the stadium, such as lighting solutions, Integrated air conditioning systems, electrical panels for operations, monitoring, and control (BMS, KNX), firefighting and safety solutions.

The new stadium is expected to be delivered during Q3.2022. The contract value is approximately € 3 million and the Company is pleased to be part of the most emblematic constructional sport project of the last decade.

Athens, April 18, 2022

Chairman of the BoD	Chief Executive Officer	Head Accountant
Anastasia Verra	Epameinondas Paschalidis	Konstantinos Motsakos
		Deloitte.
		ECG License Class A' No. 105030
		Deloitte Business Solutions S.A.
		Accounting Office License No: 1297

WEBSITE PLACE OF UPLOADING THE PARENT STATEMENTS, CONSOLIDATED FINANCIAL STATEMENTS AND THE FINANCIAL STATEMENTS OF SUBSIDIARIES

The annual separate and consolidated financial statements of the Company, the Auditor's report and the Reports of Management are registered on the internet at the URL www.neurosoft.gr

The financial statements of consolidated companies are registered on the internet at the URL www.neurosoft.gr.