

Iraklio, Attica, September 19th, 2022

Press Release



Board of Directors of Neurosoft S.A. approves 2022 1st Half Financial Statements

- **Consolidated Revenues in H1 2022 amounted to € 9.27 million (€ 6.54 million in H1.2021)**
- **Gross Profit in H1 2022 amounted to €2.35 million (€0.90 million in H1.2021)**
- **EBITDA in H1 2022 amounted to € 1,29 million (€0,15 million in H1.2021)**
- **EBIT in H1 2022 amounted to € 0.65 million (€ (0,78) million in H1.2021)**
- **Net Profit in H1 2022 amounted to € 0.52 million (€(0,58) million in H1.2021)**
- **Net Financial Position H1 2022 amounted to € (0,15) million (€(0,45) million in 2021)**
- **Total equity in H1 2022 amounted to € 4.58 million (€ 4,07 million in 2021)**

Iraklio, Attica, September 19, 2022 - The Board of Directors of **Neurosoft S.A.**, a fully integrated ICT Company with System Integration and Cyber Security capabilities, met today and approved Neurosoft's Consolidated 1st Half Financial Statements (including the results for its subsidiaries, Neurosoft Cyprus Ltd and Neurosoft Romania Srl) for the 1st Semester ended June 30, 2022. Neurosoft, traded on Milan's Euronext Growth Italia market ([GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), has **Banca Investis** as its Nominated Adviser.

"Fiscal year 2022 will be another strong year," said **Epameinondas Paschalidis**, Neurosoft CEO, commenting on the Group's half year results. "Our team's execution of our integrated strategies delivered strong top and bottom-line growth and significant cash position in the face of severe cost and operational headwinds. We remain committed to our strategic business plan of superiority, efficiency, and constructive disruption, which is the only way to step forward into the near-term challenges we are facing and continue to deliver balanced growth and value creation. Q2 2022 was beyond any doubt colored by the lifting of the remaining Covid-related restrictions that allows us to be optimistic for the Year End"

2022 – 1st Half Neurosoft Group Consolidated Performance

Neurosoft's reported H1.2022 consolidated revenues equal to € 9.27 million, an increase of 42% compared to H1.2021. The main factors that drove this top line growth are: the lifting of the covid restrictions and the market reopening, the capitalization of the company's efforts of the previous two years on developing innovative solutions portfolio as well as the securing of important contracts in Greece.

The Gross Profit landed at €2.35 million (+1.45 million, 161% growth) better-off compared to the respective amounts of previous year 1st semester. The EBITDA turned strongly positive €1.29 million, higher by 42% y-o-y, due to the increased Revenue growth and the strict monitoring Operational Expenses strategy followed.

As a result, H1.2022 Net Profit stood at € 0.52 million, showing a significant improvement (€ - 0,58 million in 2021).

H1.2022 Net Cash amounted to € 0.15 million, as compared with € 0.45 million at 31th December 2021.

H1.2022 Equity is equal to € 4.58 million (€ 4.07 million in 2021).

Systems Engineering: Market trends on ICT strategy and spending were increased during H1 due to the loosening of Covid restrictions. The outcome of the year – revenue and profitability – is positive with the imminent conclusion of ongoing large-scale implementations and the formulated, targeted offering on Managed Services. Our Field Services business has rebounded to pre-covid levels thanks to the lifting of the remaining Covid-related measures and the retail operating at full force. New opportunities have been pursued and agreements signed that will further assist H2 revenue and profitability and provide a diversification in the revenue mix.

Cyber Security: Revenue and profitability exceeded the performance target of H1.2022. The solutions portfolio was enhanced by new services in the areas of Threat Intelligence, Incidence Response and Security Awareness, that resulted in additional revenue streams and new projects from a considerably number of Tier 1 clients. Moreover, the Company undertook several initiatives (eg. strengthen the relationship with the academic community, set up training courses etc) to come up against the difficulties in recruiting technology professionals and to ensure that will not face shortages in human capital.

It is specified that Neurosoft Separate and Consolidated 1st Half Financial Reports (including the results for its subsidiaries, Neurosoft Cyprus Ltd and Neurosoft Romania S.r.l. on June 30th , 2022) will be available to the public in compliance with the terms and conditions required by the law, on the company's website www.neurosoft.gr.

Neurosoft S.A., a Greek company listed on the Euronext Growth Milan market , organized and managed by the Italian Stock Exchange (ISIN GRS802003004, Reuters NRST.MI, Bloomberg NRST:IM), was founded in 1994 with the vision to provide superior products, innovative solutions and exclusive services to its international clients. Neurosoft is a fully integrated ICT company with Field Services, Systems Integration and Cyber Security capabilities. The staff headcount exceeds 200+ highly skilled employees with deep experience in their field. The company is based in Athens with presence in Cyprus.

Business areas covered by Neurosoft: **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 company is committed to client impact, continuous investments in R&D, innovation, adoption of advanced methodologies and well-known international standards (ISO9001, ISO27001, ISO 14001, ISO 45001, ISO 22301). It demonstrates a track record of successful local & international group (multi-country) installations & continuous technical support, always on time – on budget – on spec.

As of today, Banca Investis is Neurosoft's Euronext Growth Advisor for the Euronext Growth Milan market.

Press release available on www.neurosoft.gr

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INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	GROUP		COMPANY	
		30.06.2022	31.12.2021	30.06.2022	31.12.2021
ASSETS					
Non-current assets					
Property, plant & equipment	6	407,481	396,068	407,481	396,068
Right-of-use assets	7	662,449	709,927	662,449	709,927
Intangible assets	8	750,744	821,584	750,744	821,584
Investments in subsidiaries	9	-	-	242,930	242,930
Other non - current assets		86,305	87,125	86,304	87,123
		<u>1,906,979</u>	<u>2,014,703</u>	<u>2,149,908</u>	<u>2,257,632</u>
Current assets					
Inventories		2,238,493	382,689	2,238,493	382,689
Trade receivables	10	2,714,415	4,468,969	2,678,139	4,437,328
Other current assets	11	2,300,290	793,975	2,449,352	874,044
Restricted cash		-	182	-	182
Cash and cash equivalents	12	1,282,929	1,676,697	1,240,456	1,647,393
		<u>8,536,126</u>	<u>7,322,510</u>	<u>8,606,439</u>	<u>7,341,636</u>
Total assets		<u><u>10,443,105</u></u>	<u><u>9,337,213</u></u>	<u><u>10,756,347</u></u>	<u><u>9,599,268</u></u>
EQUITY					
Share capital	13	3,965,612	3,965,612	3,965,612	3,965,612
Share premium		600,000	600,000	600,000	600,000
Reserves	14	377,638	377,638	377,638	377,638
Retained earnings		(359,054)	(877,935)	13,334	(589,265)
Total equity		<u>4,584,196</u>	<u>4,065,315</u>	<u>4,956,584</u>	<u>4,353,985</u>
LIABILITIES					
Non-current liabilities					
Borrowings	15	251,959	297,770	251,959	297,770
Lease liabilities	7	315,466	395,913	315,466	395,913
Deferred tax liabilities		184,666	165,683	184,666	165,683
Employee benefit plans		59,739	49,865	59,739	49,865
Other non-current liabilities		-	68,265	-	68,265
		<u>811,831</u>	<u>977,496</u>	<u>811,831</u>	<u>977,496</u>
Current liabilities					
Trade payables	16	2,820,742	1,898,383	2,823,962	1,901,603
Borrowings	15	191,622	191,622	191,622	191,622
Lease liabilities	7	370,353	341,335	370,353	341,335
Provisions		-	-	-	-
Income tax liabilities		170,964	54,336	170,964	54,336
Other tax liabilities	17	138,711	680,424	140,968	679,178
Other current liabilities	18	1,354,687	1,128,303	1,290,065	1,099,715
		<u>5,047,078</u>	<u>4,294,402</u>	<u>4,987,934</u>	<u>4,267,788</u>
Total liabilities		<u>5,858,909</u>	<u>5,271,898</u>	<u>5,799,764</u>	<u>5,245,284</u>
Total equity and liabilities		<u><u>10,443,105</u></u>	<u><u>9,337,213</u></u>	<u><u>10,756,347</u></u>	<u><u>9,599,268</u></u>

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Note	GROUP		COMPANY	
		01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
Revenue	5	9,276,695	6,538,632	9,229,341	6,515,967
Cost of sales	19	(6,926,668)	(5,635,276)	(6,879,154)	(5,604,417)
Gross profit		2,350,026	903,357	2,350,188	911,550
Distribution expenses	19	(607,549)	(529,527)	(602,613)	(526,321)
Administrative expenses	19	(1,139,155)	(992,863)	(1,129,899)	(986,851)
Impairment of investment in subsidiaries		-	-	-	(105,869)
Impairment of goodwill		-	(113,408)	-	-
Other income		169,350	47,631	169,350	47,631
Other gain / (losses)		(79,292)	(38,179)	(10,639)	(29,646)
Operating Profit / (Loss)		693,380	(722,989)	776,387	(689,507)
Finance income	20	47	44	47	44
Finance expenses	20	(38,936)	(52,695)	(38,225)	(49,606)
Profit / (Loss) before income tax		654,491	(775,640)	738,209	(739,068)
Income tax	21	(135,610)	195,991	(135,610)	195,991
Profit/(Loss) after tax		518,881	(579,649)	602,599	(543,077)
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		-	176	-	-
Total items that may be reclassified to profit or loss		-	176	-	-
Other comprehensive income / (loss) for the period, net of tax		-	176	-	-
Total comprehensive income / (loss)		518,881	(579,473)	602,599	(543,077)
Profit / (Loss) for the period attributable to:					
Equity holders of the parent		518,881	(579,649)	602,599	(543,077)
Non-controlling interests		-	-	-	-
		518,881	(579,649)	602,599	(543,077)

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
GROUP

	Note	Attributable to owners of the parent				Total	Total equity
		Share capital	Share premium	Reserves	Retained earnings		
1 January 2021		8,954,608	600,000	373,272	(6,790,387)	3,137,493	3,137,493
Net profit for the period		-	-	-	(579,649)	(579,649)	(579,649)
Other comprehensive income		-	-	176	-	176	176
Total comprehensive loss for the period (net of tax)		-	-	176	(579,649)	(579,473)	(579,473)
Share capital decrease	13	(4,988,996)	-	-	4,988,996	-	-
30 June 2021		3,965,612	600,000	373,448	(2,381,040)	2,558,020	2,558,020
Net profit for the period		-	-	-	1,477,334	1,477,334	1,477,334
Other comprehensive income		-	-	4,190	25,771	29,961	29,961
31 December 2021		3,965,612	600,000	4,190	1,503,105	1,507,295	1,507,295
		<u>3,965,612</u>	<u>600,000</u>	<u>377,638</u>	<u>(877,935)</u>	<u>4,065,315</u>	<u>4,065,315</u>
1 January 2022		3,965,612	600,000	377,638	(877,935)	4,065,315	4,065,315
Net profit for the period		-	-	-	518,881	518,881	518,881
Total comprehensive income for the period (net of tax)		-	-	-	518,881	518,881	518,881
30 June 2022		3,965,612	600,000	377,638	(359,055)	4,584,196	4,584,196
		<u>3,965,612</u>	<u>600,000</u>	<u>377,638</u>	<u>(359,055)</u>	<u>4,584,196</u>	<u>4,584,196</u>

COMPANY

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
1 January 2021		8,954,608	600,000	377,638	(6,520,170)	3,412,075
Net loss for the period		-	-	-	(543,077)	(543,077)
Other comprehensive income		-	-	-	-	-
Total comprehensive loss for the period (net of tax)		-	-	-	(543,077)	(543,077)
Share capital decrease	13	(4,988,996)	-	-	4,988,996	-
Transfer of accumulated loss of transitional period of spin-off of Fintech sector		-	-	-	176,179	176,179
30 June 2021		3,965,612	600,000	377,638	(1,898,073)	3,045,177
Net profit for the period		-	-	-	1,283,037	1,283,037
Other comprehensive income		-	-	-	25,771	25,771
31 December 2021		3,965,612	600,000	377,638	(589,265)	4,353,985
1 January 2022		3,965,612	600,000	377,638	(589,265)	4,353,985
Net profit for the period		-	-	-	602,599	602,599
Total comprehensive income for the period (net of tax)		-	-	-	602,599	602,599
30 June 2022		3,965,612	600,000	377,638	13,334	4,956,584

INTERIM CONDENSED CASH FLOW STATEMENT

	Note	GROUP		COMPANY	
		01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021	01.01.2022 - 30.06.2022	01.01.2021 - 30.06.2021
Operating activities					
Profit/(Loss) before tax		654,491	(775,640)	738,209	(739,068)
Adjustments for:					
Depreciation and amortization & Loss on write-offs of property, plant and equipment	6,7,8	583,189	746,413	583,189	746,413
Impairment of investment in subsidiaries		-	-	-	105,869
Impairment of goodwill		-	113,408	-	-
Employee benefit plans		9,725	31,210	9,725	27,291
Net finance expenses	20	38,889	52,650	38,178	49,561
Exchange differences		10,053	14,328	10,053	15,430
Gain on early termination of leases / rent concession		(2,403)	(22,896)	(2,403)	(22,896)
Changes in working capital:					
Increase in inventories		(1,855,804)	(97,316)	(1,855,804)	(97,316)
Decrease in receivables		239,187	1,023,015	174,830	948,656
(Decrease) / increase in payables		544,678	(829,196)	512,148	(792,914)
Interest and other finance expenses paid		(32,175)	(54,044)	(31,464)	(50,955)
Net cash flows generated from operating activities		189,831	201,932	176,661	190,073
Investing activities					
Purchase of property, plant and equipment and intangible assets	6,8	(333,310)	(149,486)	(333,310)	(149,486)
Interest received		47	44	47	44
Net cash flows used in investing activities		(333,262)	(149,442)	(333,262)	(149,442)
Financing activities					
Repayments of borrowings	15	(45,811)	(225,811)	(45,811)	(225,811)
Repayment of lease liabilities		(204,525)	(165,433)	(204,525)	(165,433)
Net cash flows used in financing activities		(250,336)	(391,244)	(250,336)	(391,244)
Net decrease in cash and cash equivalents		(393,768)	(338,753)	(406,937)	(350,613)
Cash and cash equivalents at beginning of period		1,676,697	1,009,325	1,647,393	989,903
Effects of exchange rate changes on cash and cash equivalents		-	176	-	-
Cash and cash equivalents at the end of the period		1,282,929	670,748	1,240,456	639,289

