



Board of Directors of Neurosoft S.A. approves 2022 Annual Financial Statements

- **Consolidated Revenues in 2022** amounted to € 23,01 million (€15,76 million in 2021)
- **Gross Profit in 2022** amounted to €5,29 million (€3.52 million in 2021)
- **EBITDA in 2022** amounted to € 2,89 million (€ 2.35 million in 2021)
- **EBIT in 2022** amounted to € 1,58 million (€ 0.80 million in 2021)
- **Net Profit in 2022** amounted to € 1.28 million (€ 0.90 million in 2021)
- **Net Debt in 2022** amounted to € (2.88) million (€(0.45) million in 2021)
- **Total equity structure verifies article 119 par. 4 of L. 4548/2018. The Company's main shareholder is committed to enhance Neurosoft capital structure in case of need**

Iraklio, Attica, April 11, 2022 - The Board of Directors of **Neurosoft S.A.**, a fully integrated ICT Company, traded on Milan's Euronext Growth Italia market ([GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), has **Banca Investis S.p.A.** as its Euronext Growth Advisor, met today and approved Neurosoft's Consolidated Annual Audited Financial Statements (including the results for its subsidiaries, Neurosoft Cyprus Ltd and Neurosoft Romania Srl) for the year ended December 31st, 2022.

"In fiscal year 2022 Neurosoft achieved the highest sales revenue in its history due to its operational flexibility, enhanced offering and the continued brand awareness, despite the clearly difficult global environment affecting the domestic market and economy.

Our solid commercial activities throughout the year, focusing on systems integration projects and cyber security solutions, delivered remarkable progress, leading to a full year significant top line increase of 46%. Our business model demonstrated resilience, delivering robust financial performance and we remain optimistic that 2023 will be another successful year for the Company.

In Neurosoft we constantly adapt and innovate. We offer value-adding solutions, we strengthen our brand and we invest in our people." stated Epameinondas Paschalidis, Chief Executive Officer of Neurosoft S.A.

2022 Neurosoft Group Consolidated Performance

The FY 2022 ended with consolidated revenues equal to € 23,01 million continuing last year's upturn. Undoubtedly, the use of new technologies changes the business models, provides new revenue opportunities and sets out the most common strategic trend. Neurosoft is well positioned among domestic technology providers capable of providing unique solutions to its clients and this is illustrated in the record high levels of this year.

2022 EBITDA (€2.89 million) proves a truly extraordinary year and it is the direct result of the continuous efforts and commitment that the company has performed during the last few years in order to deliver value to stakeholders and partners.

Economies of scale, cost control processes, expanded clientele basis and strategic alliance reflect the outstanding financial performance.

2022 EBIT stands at € 1,58 million (€ 0.8 million in 2021-97.5% y-o-y increase) and, as a result, 2022 Net Profit is equal to € 1.28 million (€ 0.90 million in 2021).

2022 Equity is equal to € 5.34 million (€ 4.06 million in 2021) with a 2022 Net Cash that amounts to € (2.88) million versus net debt of € (0.45) million in 2021, proving company's strong liquidity levels.

Additionally, as of December 31, 2022 the Company has positive working capital of €4.23 Million, as well as, sufficient undrawn borrowing facilities that can be utilized if needed. The Company's main shareholder is committed to enhance its capital structure in case it is deemed necessary, for at least within the next 12 months from the approval of Financial Statements.

Net Profit Allocation:

Neurosoft S.A. notifies that the Board of Directors resolved to propose to the Shareholders' Meeting the allocation of the Company's FY 2022 net profit, equal to Euro 1.28 million, entirely to retained earnings reserve and approved and validated the non-distribution of any dividends from the results of financial year 2022.

Anticipated course and Company's development for the year 2023

In fiscal year 2022 Neurosoft achieved the best financial performance in its history due to its operational flexibility and the continued brand awareness. The Company's strategic plan is to become the most innovative, value-adding Managed Infrastructure Service Provider (MISP) in Greece and Cyprus and to brand Neurosoft as synonymous with security and trust. Scale, efficiency, new technologies and automation are the key priorities in order to be able to offer a "best of breed" commercial approach to the customers. Moreover, Governmental institutions are expected to heavily invest in ICT over the next 5 years, therefore Company's objective is to position Neurosoft among the key market players, through partnerships in Greece, as well as in Cyprus.

Geopolitical Risks

The ongoing war in Ukraine following the invasion of Russia in 2022 and imposition of economic sanctions against the Russian Federation are significantly affecting the energy market and consequently the global economy. There is no direct exposure of the Company to either Russia or Ukraine, and therefore no direct effect on its financial performance from these latest developments. The Greek economy recorded solid growth in the first half of 2022, but rising inflation took its toll on growth in the second half of the year. Increasing investments, governmental support measures and the implementation of the Greece 2.0 Recovery and Resilience Package. Therefore, the only indirect effect the Company may face relates to the high energy cost and inflationary pressures caused by this geopolitical crisis.

Important related party transactions

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

During the 2022, the related party transactions referring to provision of Neurosoft services in the normal course of business, were equal to 9.43 million euro. The Company has adopted the rules provided by the applicable legislation and Euronext Growth Milan rules. In particular, these transactions took place at arm's length (market conditions basis), within the case of exclusion pursuant to art. 2, lett. e) of Neurosoft Procedure for Transaction with Related Parties and in compliance with art. 7, lett. c) of Euronext Growth Milan Provisions on Related Party Transactions.

General Outlook of Business Development

Neurosoft during 2022 performed an operational restructuring of its offering pillars and developed essential strategies to achieve business and operational improvements and efficiencies. The former System Engineering vertical was segmented into "Field Services Operations" and "Infrastructure & Cloud Operations". This modification will allow the Company to focus on each specific area and to better concentrate on its business growth.

Company's vision is to become the most-innovative, value-adding Managed Infrastructure Service Provider (MISP) in Greece & Cyprus. Working towards this direction Neurosoft enhances and improves competencies in new technologies and sales experience via high quality and innovative services over our field of expertise.

Today the Company operates under three Business Units, Cyber Security Operations (CSO), Infrastructure & Cloud Operations (ICO) and Field Services Operations (FSO).

Cyber Security Operations Business Unit:

Cyber Security Operations, having reached good maturity levels and recognition from customers, had a steady revenue growth in all areas defensive, offensive, governance & risk.

As a Managed Security Services Provider (MSSP), Neutrify, our brand for cyber defense services, has been uplifted integrating new tools and services to make the offering more attractive to the customers (36% customer increase) and in parallel more effective in cyber security operations. The introduction of vendor agnostic Managed Detection & Response (MDR) capability allowed the delivery of a holistic cyber defence service to the customer and enabled faster incident detection and response. Furthermore, capitalizing the experience gained by the team in previous years, two new services were launched, Threat Intelligence which assists in proactive threat hunting and Incident Response for the management of critical security incidents supporting the customer to address ongoing cyberattacks. Angel, the maritime cybersecurity service, delivered in partnership with Navarino, doubled the number of vessels monitored compared to 2021.

In the Security Assessment Services domain, new services have been developed for the delivery of adversary simulations to customers (Red Teaming) and for vulnerability scanning and management as a service (VMaaS), complementing the already established Penetration Testing services. First customers for these services have been

successfully served. Furthermore, the design of a new brand name (HackCraft) and additional functionality (customer portal) have been completed to allow increased customer penetration in 2023.

In the Compliance & Risk Services domain, the virtual Information Security Officer (vCISO) service has been introduced, providing the resources, skillset and experience needed in an organization to fulfil the CISO role responsibilities. The service has proved to be very successful and significant growth is expected in the future. Furthermore, two new services have been designed to be delivered in 2023, Security by Design services, which provide expert resources to the customer to make a system or application secure throughout its lifecycle, and Ransomware Readiness Assessment services providing expert resources to the customer to assess main areas that hackers exploit for ransomware attacks and to provide the customer with a gap analysis and recommendation for security improvement.

Field Services Operations Business Unit:

During 2022 Neurosoft faced a spike on the maintenance and rollout visits that handled mainly because of the post covid business normalization and stabilization. The company stayed focused on its strategic objective to ensure that telecom organizations and enterprises with geographically dispersed infrastructures will cope with their ultimate challenge i.e. a smooth, continuous and cost-effective operation. Towards this direction, Neurosoft undertook the technological optimization of the FSO business unit, more specifically the company invested in the modernization of the Warehousing Management System to create a state-of-the-art logistic center and to enhance the quality of services offered to the end customers either enterprise or telcos. Moreover, the Company expanded its country-wide network to support multiple, concurrent, large scale retail projects across the country. New clients were onboarded in 2022 from the Oil & Gas and Retail verticals as a result of cross-selling efforts with ICT integration services. In addition, the company established a new co-operation in the field of Telco Infrastructure Services, for the provision of on-site physical installation, commissioning, and support services for access technology (LLU-local-loop unbundling).

Infrastructure & Cloud Operations Business Unit:

Enterprise Link (EL) is Neurosoft first offering attempt in utilizing its strategy towards the modern Infrastructure-as-a-Service (IaaS) business paradigm. EL targets multi-site Enterprise customers and is the Network Access technology and Service Provider agnostic. The services offered under EL include Solution Design, Implementation and Operations with all actual equipment and licenses required under a recurring monthly fee. EL is provided in cooperation with Telecom Italia Sparkle. During 2022 Neurosoft invested significant R&D effort to enhance internal operation and automation activities to create customer value from the traffic logs collected. Within 2022 more than 2.700 managed customer devices have been introduced to EL, reaching in total 3.500 devices.

Clearly in parallel to the IaaS business model the Company continued pursuing traditional ICT Systems Integration projects, ranging from Networking Solutions, Cloud Infrastructure, employee collaboration and Information Security. Neurosoft managed to enhance its Solution portfolio with new Products, Services and new worldwide Technology Providers resulting in building a very promising project pipeline for upcoming years but also receiving awards for infrastructure projects in significant organizations mainly in the Utility and Energy sectors.

While executing the corporate strategy towards enhancing the Managed Services offering Neurosoft has developed a solid and modular service aimed at Customers willing to outsource operations of their existing ICT

infrastructure. The team is comprised by certified professionals for the most common equipment manufacturers capable of ensuring that strict Service Levels Agreements are met.

Auditor's opinion

In auditor's opinion, the Company's separate and consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2022, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

It is specified that Neurosoft Separate and Consolidated Annual Financial Reports (including the results for its subsidiaries, (Neurosoft Cyprus Ltd and Neurosoft Romania S.r.l.) of Neurosoft S.A. on December 31st, 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 Operations:** Provision of high-end Cyber Security solutions and services and development of innovative security products. In a world of viruses, malwares, and hackers, Neurosoft has compiled a suite of practical and technologically advanced tools and methods to significantly enhance the protection of your mission-critical data. **Infrastructure & Cloud Operations:** 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. **Field Services Operations:** Neurosoft offers high-quality, on-site logistic and warehousing services with 200+ field service technicians, offering 40+ service points in Greece and Cyprus.

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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INVESTOR RELATIONS

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STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
ASSETS				
Non-current assets				
Property, plant & equipment	359,464	396,068	359,464	396,068
Right-of-use assets	599,053	709,927	599,053	709,927
Intangible assets	705,406	821,584	705,406	821,584
Investments in subsidiaries	-	-	422,930	242,930
Other non - current assets	91,476	87,125	91,476	87,123
	1,755,399	2,014,703	2,178,329	2,257,632
Current assets				
Inventories	796,441	382,689	796,441	382,689
Trade receivables	6,651,399	4,468,969	6,647,479	4,437,328
Other current assets	842,482	793,975	811,338	874,044
Restricted cash	-	182	-	182
Cash and cash equivalents	3,808,313	1,676,697	3,749,981	1,647,393
	12,098,635	7,322,510	12,005,239	7,341,636
Total assets	13,854,034	9,337,213	14,183,568	9,599,268
EQUITY				
Share capital	3,965,612	3,965,612	3,965,612	3,965,612
Share premium	600,000	600,000	600,000	600,000
Reserves	445,832	377,638	445,832	377,638
Retained earnings	331,538	(877,935)	708,286	(589,265)
Total equity	5,342,983	4,065,315	5,719,730	4,353,985
LIABILITIES				
Non-current liabilities				
Borrowings	206,149	297,770	206,149	297,770
Lease liabilities	272,609	395,913	272,609	395,913
Deferred tax liabilities	104,418	165,683	104,418	165,683
Employee benefit plans	66,383	49,865	66,383	49,865
Other non-current liabilities	-	68,265	-	68,265
	649,559	977,496	649,558	977,496
Current liabilities				
Trade payables	4,151,089	1,898,383	4,154,309	1,901,603
Borrowings	91,621	191,622	91,621	191,622
Lease liabilities	357,521	341,335	357,521	341,335
Income tax liabilities	424,279	54,336	424,279	54,336
Other tax liabilities	1,389,694	680,424	1,391,230	679,178
Other current liabilities	1,447,289	1,128,303	1,395,321	1,099,715
	7,861,492	4,294,402	7,814,281	4,267,788
Total liabilities	8,511,051	5,271,898	8,463,839	5,245,284
Total equity and liabilities	13,854,034	9,337,213	14,183,568	9,599,268

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	GROUP		COMPANY	
	01.01.2022	01.01.2021	01.01.2022	01.01.2021
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Revenue	23,012,051	15,761,441	22,921,916	15,388,817
Cost of sales	(17,723,057)	(12,237,718)	(17,640,065)	(11,981,322)
Gross profit	5,288,994	3,523,723	5,281,851	3,407,495
Distribution expenses	(1,365,258)	(1,131,051)	(1,356,636)	(1,104,412)
Administrative expenses	(2,392,651)	(2,120,721)	(2,376,483)	(2,070,773)
Gain from disposal of subsidiaries	-	281,132	-	148,737
Other income	253,156	315,929	253,156	317,929
Other gain / (losses)	(115,842)	27,553	(46,549)	33,857
Operating Profit / (Loss)	1,668,400	896,566	1,755,338	732,833
Finance income	51	98	51	98
Finance expenses	(84,502)	(97,951)	(83,363)	(91,942)
Profit / (Loss) before income tax	1,583,948	798,713	1,672,026	640,989
Income tax	(308,150)	98,971	(308,150)	98,971
Profit/(Loss) after tax	1,275,798	897,684	1,363,876	739,959
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Actuarial gains	2,395	31,710	2,395	31,710
Related tax	(527)	(5,939)	(527)	(5,939)
Total items that will not be reclassified to profit or loss	1,868	25,771	1,868	25,771
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	-	4,365	-	-
Total items that may be reclassified to profit or loss	-	4,365	-	-
Other comprehensive income / (loss) for the period, net of tax	1,868	30,136	1,868	25,771
Total comprehensive income / (loss)	1,277,666	927,820	1,365,744	765,731
Profit / (Loss) for the period attributable to:				
Equity holders of the parent	1,275,798	897,684	1,363,876	739,959
	1,275,798	897,684	1,363,876	739,959
Total comprehensive income / (loss)				
Equity holders of the parent	1,277,666	927,820	1,365,744	765,731
	1,277,666	927,820	1,365,744	765,731
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 per share (basic and diluted)	0.0499	0.0351	0.0533	0.0289

STATEMENT OF CHANGES IN EQUITY

GROUP

	Attributable to owners of the parent					Total equity
	Share capital	Share premium	Reserves	Retained earnings	Total	
1 January 2021	8,954,608	600,000	373,273	(6,790,387)	3,137,495	3,137,495
Net profit for the year	-	-	-	897,684	897,684	897,684
Other comprehensive income	-	-	4,365	25,771	30,136	30,136
Total comprehensive income for the year (net of tax)	-	-	4,365	923,455	927,820	927,820
Share capital decrease by setting off accumulated losses	(4,988,996)	-	-	4,988,996	-	-
31 December 2021	3,965,612	600,000	377,638	(877,935)	4,065,315	4,065,315
1 January 2022	3,965,612	600,000	377,638	(877,935)	4,065,315	4,065,315
Net profit for the year	-	-	-	1,275,798	1,275,798	1,275,798
Other comprehensive income	-	-	-	1,868	1,868	1,868
Total comprehensive income for the year (net of tax)	-	-	-	1,277,666	1,277,666	1,277,666
Legal reserve	-	-	68,194	(68,194)	-	-
31 December 2022	3,965,612	600,000	445,832	331,538	5,342,983	5,342,983

COMPANY

	Share capital	Share premium	Reserves	Retained earnings	Total
1 January 2021	8,954,608	600,000	377,638	(6,520,170)	3,412,076
Net profit for the year	-	-	-	739,959	739,959
Other comprehensive income	-	-	-	25,771	25,771
Total comprehensive income for the year (net of tax)	-	-	-	765,731	765,731
Transfer of accumulated loss of transitional period of spin-off of Fintech sector	-	-	-	176,179	176,179
Share capital decrease by setting off accumulated losses"	(4,988,996)	-	-	4,988,996	-
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 year	-	-	-	1,363,876	1,363,876
Other comprehensive income	-	-	-	1,868	1,868
Total comprehensive income for the year (net of tax)	-	-	-	1,365,744	1,365,744
Legal reserve	-	-	68,194	(68,194)	-
31 December 2022	<u>3,965,612</u>	<u>600,000</u>	<u>445,832</u>	<u>708,286</u>	<u>5,719,730</u>

CASH FLOW STATEMENT

	GROUP		COMPANY	
	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Operating activities				
Profit before tax	1,583,948	798,713	1,672,026	640,989
Adjustments for:				
Depreciation and amortization	1,218,737	1,461,952	1,218,737	1,314,176
Provisions for doubtful debts	89,178	-	89,178	-
Gain from disposal of subsidiary	-	(281,132)	-	(148,737)
Employee benefit plans	39,778	32,737	39,778	30,778
Gain from government grants	-	(74,089)	-	(74,089)
Net finance expenses	84,451	97,853	83,312	91,844
Reversal of provisions for legal cases	-	(13,900)	-	(13,900)
Gain from rent concession	-	(22,991)	-	(22,991)
Gain on early termination of leases	(1,386)	-	(1,386)	-
Other movements relating to leases	8,943	3,225	8,943	3,225
Changes in working capital:				
Increase in inventories	(413,752)	(235,205)	(413,752)	(235,205)
Increase in receivables	(2,324,335)	(490,747)	(2,420,844)	(530,663)
(Decrease) / increase in payables	3,198,871	(37,207)	3,178,273	172,255
Payment for staff indemnity	(20,865)	(26,672)	(20,865)	(26,672)
Less:				
Interest and other finance expenses paid	(82,841)	(103,808)	(81,702)	(97,799)
Net cash flows generated from operating activities	3,380,727	1,108,728	3,351,700	1,103,213
Investing activities				
Proceeds from sale of subsidiary	-	482,060	-	482,060
Purchase of property, plant and equipment and intangible assets	(682,085)	(268,789)	(682,085)	(268,789)
Interest received	51	98	51	98
Net cash flows (used in)/ generated investing activities	(682,034)	213,369	(682,034)	213,369
Financing activities				
Proceeds from borrowings	400,000	-	400,000	-
Repayments of borrowings	(591,621)	(271,622)	(591,621)	(271,622)
Repayment of lease liabilities	(375,457)	(387,469)	(375,457)	(387,469)
Net cash flows used in financing activities	(567,078)	(659,091)	(567,078)	(659,091)
Net increase in cash and cash equivalents	2,131,615	663,006	2,102,588	657,490
Cash and cash equivalents at beginning of year	1,676,697	1,009,325	1,647,393	989,903
Effects of exchange rate changes on cash and cash equivalents	-	4,365	-	-
Cash and cash equivalents at the end of the year	3,808,313	1,676,697	3,749,981	1,647,393

