NEUROSOFT

ANNUAL

FINANCIAL REPORT

For the year

ended 31 December 2023

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 (Separate and Consolidated) of “Neurosoft Software Production Societe Anonyme” and its subsidiaries (the “Group”) for the year from 1 January 2023 to 31 December 2023, 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 Board of Directors of the Company provides a true and fair view of the evolution, performance and the financial position of the Company and the Group, including a description of the main risks and uncertainties they face and relevant information.

Iraklio, 19 April 2024

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 Separate and Consolidated Financial Statements
for the financial year from 1 January 2023 to 31 December 2023

This Annual Report of the Board of Directors (hereinafter referred to as the "**Report**"), refers to the fiscal year 2023 (01.01.2023-31.12.2023). It has been prepared in accordance with the provisions of Articles 150-154 of Law 4548/2018 and article of Law 3556/2007, as amended with the Law 4920/2022 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 in which Mr. Paschalidis, our CEO, holds the remaining 5%;

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

SECTION A

1. Significant events that occurred during the year 2023

The significant events that occurred during the year 2023 (01.01.2023-31.12.2023), as well as any impact on the annual financial statements are summarized as follows:

Vodafone (End Customer HEDNO S.A. (Hellenic Electricity Distribution Network Operator S.A.)

In January 2023, the Hellenic Electricity Distribution Network Operator S.A. awarded the syndicate "Vodafone - Net Company/ Intrasoft" with a 5-year contract for the supply, implementation, maintenance and operation of an Information System for the protection of documents and data and the management of user access to the IT & OT information systems of HEDNO.
Neurosoft will act as subcontractor of Vodafone and shall undertake the provision of Document Grading and Marking Solution, Data Leakage Protection Solution, Management of user rights in documents as well as Public Cloud Service.
The contract duration is 3 years (+1yr option) and the total contract value is €4,16M.

Stavros Niarchos Foundation Cultural Center (SNFCC)

In February 2023, after a formal demanding RFP process, Neurosoft has been awarded through a tendering process a new contract from the emblematic Stavros Niarchos Foundation Cultural Center. The Company has a well-established record of effective and efficient performance with SNFCC since 2016, as it was the incumbent vendor for the services contracted.

The new contract covers the Provision of operation, maintenance, technical support and gradual upgrade of the SNFCC ICT infrastructure and practically confirms beyond any doubt the customer satisfaction culture on which Neurosoft is permanently targeting.

The Contract duration is 5 years (+1yr option) and the total Contract value is €2,83M.

Public Power Corporation (PPC) – SD LAN & Structured Cabling Project

PPC has issued in April 2023 an Request For Proposal (RFP) covering two business lots:

- Lot 1: “Supply of required equipment and provision of related services of design, implementation and support of synchronous SD LAN data network for all building installations”, with a budget of €26M.
- Lot 2: “Supply of required equipment and provision of relevant services for design and implementation of modern cabling and construction of control/data rooms at the installation points of the SD LAN network”, with a budget of €12M.

The Company jointly participated jointly with Unisystems S.A in Lot 1 of PPC’s RFP. A 5Year contract has been awarded to the union, the total contract value is €25M and the Company’s participation percentage is 49%. The technical solution is based on advanced networking solutions by Huawei, and includes sophisticated design and implementation services, as well as maintenance and support services. The deployment of the new technology will cover 148 PPC points of interest nationwide.

In addition, the Company participated as a named subcontractor for Lot 2, providing field implementation services. The awarded contract value is approximately €1M.

Vodafone (End Customer Public Sector)

The Company, working as a subcontractor for Vodafone, has taken on the delivery of several cybersecurity projects in the pubic sector. These projects are expected to generate total revenue of €6M by the end of FY2025. The ongoing collaboration between Neurosoft and Vodafone, along with continued growth in cybersecurity within the public sector, especially due to the introduction of NIS2 and DORA regulations, suggests promising opportunities for future projects.

Tax Audit

During 2023, the Company was under a tax audit from the Greek Tax Authorities for fiscal years 2017-2018. The audit was completed in December 2023. An amount of € 59,567 of additional taxes and an amount of € 13,063 of interest and penalties were assessed for the Company and have been recognised in the financial statements.

2. Service Offering Developments

The Group, in accordance with the Strategic Business Plan for 2023-2027, operates under three business segments "Cyber Security Operations" (CSO), "Field Services Operations" (FSO) and "Infrastructure & Cloud Operations" (ICO). This structure is considered an efficient way to improve market penetration and increase business, as the Group shall fully exploit the continuous investment plan in R&D and shall create economies of scale and to pursue large scale projects and critical business transactions.

CSO Business Unit - Update on the solutions and services

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

In the Managed Security Services (MSS) domain, Neutrify, our brand for Security Operations Centre (SOC) services, has been uplifted integrating new tools and services like Security Orchestration, Automation and Response (SOAR) to make the offering more attractive to the customers (25% customer increase) and in parallel more effective in cyber security operations. The use of vendor agnostic Managed Detection & Response (MDR) capability allowed the delivery of a holistic cyber defence service to our customers and enabled faster incident detection and response. Moreover, this same service has been designed for providing MDR Service to the Hospitality Sector (4* & 5* Hotels). Last but not least, Angel, the maritime cybersecurity service, delivered in partnership with Navarino, has increased the number of vessels monitored to 900+.

In the Security Assessment Services (SAS) domain, the Red Teaming and Penetration Testing services have reached a new high in terms of maturity and quality of delivery making use of the Hackcraft brand name offering services both in Greece and Cyprus.

In the Compliance & Risk Services (CRS) domain, a series of new services have been designed, ISO22301 compliance, 3rd party risk management and NIS2 and DORA regulations security assessment. Furthermore, the introduction of a compliance platform for the delivery of the vCISO services has been planned in order to improve customer experience and delivery effectiveness.

A new domain, Cybersecurity Technology Advisory has been established, providing technical consulting to customers for enhancing the cybersecurity posture of infrastructure and applications with focus on Security by Design services and security assessments in Operational Technology (OT), a service designed to meet the unique needs of OT environments like industrial systems.

FSO Business Unit

In response to the escalating demand driven by heightened digitalization requirements, Neurosoft witnessed a surge in rollout visits throughout 2023. With businesses and organizations rapidly embracing digital transformation to adapt to evolving market dynamics, Neurosoft remained at the forefront, delivering tailored solutions to support their transition. These rollout visits played a crucial role in facilitating the seamless integration of cutting-edge technologies, ensuring that clients could effectively harness the power of digitalization to drive innovation and enhance operational efficiency. As the pace of digitalization continues unabated, Neurosoft remains poised to meet the growing demand for its expertise, reaffirming its commitment to delivering impactful solutions that empower clients to thrive in an increasingly digitized world.
In the realm of Fiber to the Home (FTTH), 2023 marked a significant milestone for Neurosoft. With the accelerating demand for high-speed internet connectivity driven by the shifting landscape of remote work and digitalization, Neurosoft intensified its focus on deploying robust FTTH solutions tailored to meet the evolving needs of residential customers. Leveraging cutting-edge technology and strategic partnerships, Neurosoft spearheaded initiatives aimed at expanding access to ultra-fast broadband services directly to households. As the demand for FTTH services continues to surge, Neurosoft remains committed to fostering collaboration within the telecommunications industry, paving the way for a future where seamless connectivity is accessible to all.

ICO 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 is targeted at multi-site Enterprise customers and is irrespective of the Network Access technology and Service Provider. The services prescribed under EL include the Solution Design, Implementation and Operations services including the actual equipment and licenses required all under a common monthly fee. EL is provided in cooperation with Telecom Italia Sparkle. During 2023 we modernized our Monitoring and Reporting activities and set sail to overcome the 5,000 devices milestone.
In parallel to the IaaS business model, the Company continued pursuing traditional ICT Systems Integration projects for Networking and Cloud infrastructure following the quick pace of technological enhancement governed by the post-COVID workforce requirements and corporate digital transformation trends. The main effort during 2023 in the offering development was around Software Defined networking, SASE and AI.

Software Defined Networking (SDN) is a modern architecture in the network space where configuration and management of network elements is performed from a centralized platform. There are numerous implementations from all the major networking equipment manufacturers and our R&D team performed rigorous testes to choose the best of breed solution for our Customers. Automation and Programmability are the immediate steps for the future.

Following our significant knowhow and experience gained through EL operations activities in Software Defined Wide Area Networking (SD-WAN), the global trends for the application access and security requirements from the exploding mobility of the workforce, have given rise to the SASE cloud security framework. Although the high-level architecture is the same among the various vendors, the actual implementation characteristics coupled with existing technologies among our existing and potential Customers, have fueled our offering and engineering teams to test many implementation scenarios from different vendors aiming to further enrich our solution portfolio not only with a new technology but potentially with a new Solution Provider.

Artificial Intelligence and Machine Learning concepts could certainly not be overlooked. The business benefits of employing AI in modern network monitoring and operations activities was another field that our internal teams focused in order to complement our existing MISP portfolio looking further away in the future.

3. Quality Assurance
In view of Services and Operations standardisation, Neurosoft is certified under ISO9001, ISO27001, ISO 45001, ISO 20001, ISO 22001 and ISO 14001 for IT Service Management international standards for Quality, Information Security Management, Health & Safety, IT Service Management and environmental management.

SECTION B

Principal risks and uncertainties
The Company operates within a fiercely competitive global landscape that is constantly evolving. In recent years, the company has focused on expanding its presence in key geographical regions, prioritizing the continual improvement of products and solutions. Simultaneously, it is actively innovating new offerings and pursuing entry into emerging markets to bolster its competitive edge and solidify its position.

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.

1. Currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. The Group operates in Greece and Cyprus and the vast majority of its income, transactions, supplier agreements and costs are denominated or based in euro. 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

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Fair value interest rate risk is the risk that the value of a financial asset or liability will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in interest rates. The Group's main exposure to interest rate risk arises from the Group's bank borrowings, which are at floating rates. Company's Management monitors fluctuations in interest rates on a continuous basis and evaluates the need for taking positions to hedge against such risks. At 31 December 2023, if interest rates on Euro denominated borrowings had been 1,0% higher with all other variables held constant, pre-tax loss for the year would have been €2,558 higher, excluding any positive impact of interest income on deposits.

3. Credit risk

Credit risk is the risk of financial loss to the Group 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 Group ensures that sales are addressed to customers with high credit reliability and ability regularly evaluates the creditworthiness of customers and counterparties to mitigate this risk. Therefore, the Group continuously develops and further evolves its internal risk management mechanisms to fully confront this risk.

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 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.

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	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Long-term borrowings	114,527	206,149	114,527	206,149
Short-term borrowings	91,621	91,621	91,621	91,621
Long-term lease liabilities	1,729,240	272,609	1,729,240	272,609
Short-term lease liabilities	514,079	357,521	514,079	357,521
Cash and cash equivalents	(768,160)	(3,808,313)	(742,014)	(3,749,981)
Net debt	**1,681,308**	**(2,880,413)**	**1,707,454**	**(2,822,081)**
Total equity	**6,643,360**	**5,342,983**	**6,849,825**	**5,719,730**
Net debt to equity	**0.25**	**(0.54)**	**0.25**	**(0.49)**

6. Climate change risk

The Group is conscious of global climate change and environmental issues and acknowledges the increasing importance of climate change as a significant risk factor that may impact its operations, financial performance, and long-term sustainability. Climate risks pose operational challenges, including increased energy costs, energy and fuel price volatility, energy supply interruptions, non-compliance with relevant environmental legislation and regulations, and potential damage to our facilities due to extreme weather incidents, resulting in possible reputational issues and potential operational disruptions. However, in our effort to contribute to the mitigation of such issues and we systematically work towards minimizing our potential negative impact. We comply with current environmental legislation and relevant provisions and through our relevant management systems (ISO14001), we are committed to conducting business in an environmentally responsible way, acknowledging that the protection of the environment, energy saving and the conservation of natural resources are integral parts of responsible and sustainable business development.

7. Risk related to political and economic conditions, as well as market conditions and developments in Greece

In 2023, the Greek economy experienced ongoing expansion, fueled by increased investment levels and robust private consumption. This trend is expected to persist in 2024, with growth surpassing long-term potential, supported by favorable external conditions. Prudent fiscal policies and a thriving tourism sector were key drivers of growth in 2023, and these factors are anticipated to sustain positive momentum into 2024. The potential for central banks to implement interest rate cuts may further bolster the outlook for the year, facilitated by the normalization of energy prices and a continued deceleration in inflation. However, it's important to note that prolonged geopolitical tensions could pose a downside risk to projected growth.

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, as are entities within the Allwyn International a.s. and KKCG Group, to which OPAP S.A. belongs.

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	
	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Sales of services				
OPAP S.A.	10,419,277	9,337,398	10,419,277	9,337,398
OPAP Sports LTD	19,708	16,175	-	-
OPAP Cyprus LTD	73,785	73,960	-	-
	10,512,769	**9,427,533**	**10,419,277**	**9,337,398**

	GROUP		COMPANY	
	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Purchase of services				
Metasan S.A.	62,605	21,944	62,605	21,944
	62,605	**21,944**	**62,605**	**21,944**

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 2023 amounted to €1.129.283 (2022: €765,356).

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	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Trade receivables from related parties				
OPAP S.A.	2,362,731	1,644,348	2,362,731	1,644,348
OPAP Cyprus LTD	5,000	3,560	-	-
OPAP Sports LTD	280	360	-	-
	2,368,011	**1,648,268**	**2,362,731**	**1,644,348**
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**
Provision for impairment			(170,257)	(170,257)
Total other receivables from related parties	**-**	**-**	**-**	**-**

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Trade payables to related parties				
OPAP S.A.	5,333	9,486	5,333	9,486
Metasan S.A.	-	10,223	-	10,223
	5,333	**19,709**	**5,333**	**19,709**

SECTION D

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

1. Share capital structure

Following the resolution of the Ordinary General Shareholders Meeting held on 14/06/2021 the share capital of the Company amounted to €3,965,612 and was divided into 25,584,594 ordinary registered shares with a nominal value of Euro €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 Italian 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 2023.

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 2023.

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 as amended and is in force.

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 2023 except from deviations as instructed by the rules of Euronext Growth Milan Market of Borsa Italiana.
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 31.12.2023 and 31.12.2022 employed 295 and 215 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 in the Group's policies with regard to labor and apply as well to the administrative and the Management bodies of the Group. 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 Group 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 Group ensures compliance with applicable local, national and international environmental laws and provisions as well as other requirements to which the Group 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 Group minimizes the waste produce and recycle or manage the paper, ink and equipment we no longer use.
- **Use of environmentally friendly products:** The Group uses ecolabel products, carefully selects its suppliers and tries to share the same environmental attitude with them.
- **Ongoing Environmental awareness:** The Group 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 Group 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 2023

The key financial figures of the Group are as follows:

	31.12.2023	31.12.2022
Revenue	27,274,006	23,012,051
Gross profit	5,869,221	5,288,994
Net profit	1,280,253	1,275,798
EBITDA	3,172,997	2,887,137
Adjusted EBITDA (excl. IFRS 16 impact)	2,666,894	2,474,811
Working Capital	5,409,942	4,237,143

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.

	31.12.2023	31.12.2022
Gross profit margin	21.52%	22.98%
Net profit margin	4.69%	5.54%
EBITDA / Revenue	11.63%	12.55%
Current ratio	1.47	1.55
Debt / Equity	2.04	1.57
Equity / Total assets	32.85%	38.90%
Revenue / Total assets	1.35	1.68

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 profit 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 2024

In fiscal year 2023 Neurosoft embarked on its strategic course aimed at furthering the development and growth and strengthening the market position. The concerted effort to capitalize on emerging opportunities while navigating potential challenges within the business environment expanded the product lines and enhanced customer satisfaction.

The current robust financial position will be a strong basis for achieving 2024 financial and business goals. Through a commitment to innovation and adaptability, the Company intends to enhance its market position and drive sustainable long-term value for its stakeholders. This forward-looking approach underscores the Company's dedication to optimizing operational efficiency, exploring new opportunities, and maximizing shareholder returns amidst evolving market dynamics in Greece, as well as in Cyprus.

SECTION H

Subsequent events

There were no subsequent events that require adjustments to or disclosures in the financial statements as of 31 December 2023.

SECTION I

Research and Development

In line with Company's commitment to innovation and staying at the forefront of the industry, resources have been allocated to Research and Development (R&D) initiatives during the fiscal year 2023. The R&D efforts are aimed at enhancing existing products, developing new solutions, and exploring emerging technologies to meet evolving customer needs and market demands. These investments underscore the dedication to driving long-term growth and maintaining a competitive edge in an ever-changing business environment.

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 2023 and the respective Corporate Governance Code of the Company. 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 is partially in compliance

with the above legislation and in full compliance with the respective applicable rules of Euronext Growth Milan Market in terms of corporate governance matters.
The Company, based on the above, 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 ..

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 issued by the Hellenic Federation of Enterprises and the rules of Euronext Growth Milan Market to this respect.

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 11/1/2023.

B. Divergence 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 establish 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.

Within this framework, the Company according to the Company's Board of Directors resolution of 11.01.2023 has decided to establish an Audit Committee, which has been established and perform its duties.

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 rules 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 consolidated 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:
  i. 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,
  ii. 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:

"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 no titles or other securities (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 notified 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 31/12/2023:

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 2023.

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 2023, fifteen (15) 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 archive 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.

AUDIT COMMITTEE

The Audit Committee of the Company (hereinafter the "AC" or the "Committee") presents the Committee's Activity Report for the year 2023. The Committee is governed by its Charter which was approved by the AC and the Board of Directors of the Company on 29.03.2023. The Charter is reviewed annually in order to incorporate the requirements set forth in laws and regulations. The Charter guides the Committee in terms of its objective and its responsibilities assigned by the Board of Directors. The key activities of the Committee during 2023 are set out below.

The Audit Committee is comprised of one independent, non-executive Board Member and two non-executive Board Members, according to the following table:

1. Themistoklis Polyzos – Chairman,
2. Anastasia Verra –Member,
3. Martin Chladek –Member.

The service of the Audit Committee was resolved to be equal to the service of the Board of Directors, i.e., until 14.12.2026 and, if the case be, shall be extended ipso jure until the election of new directors by the subsequent Annual General Meeting of shareholders in accordance with the provisions of the Company's Articles of Association. All members are qualified and possess the required expertise for such positions, meeting the requirements of Law 4449/2017, as amended by article 74 of Law 4706/2020 and currently in force. All members have business acumen and financial / accounting experience.

The Committee met four (4) times in 2023. Before every AC meeting an agenda is prepared including all items for discussion.

Under the provision of the Audit Committee Charter, the Committee reports at least annually to the Board of Directors the Committee's composition, responsibilities and how the Committee has fully discharged all of its responsibilities for the period being reported. The annual report covers the period 01.01.2023 to 31.12.2023.

The areas covered and the main items discussed during the AC meetings held within 2023 are summarized below:

- Reviewed and discussed external auditor's audit planning/strategy for the year ended 31 December 2023;
- Reviewed the IA activity quarterly reports for 2023;
- Reviewed the list of outstanding findings identified by the Internal Audit, informed the Board of Directors accordingly and recommended corrective actions;
- Reported to the Board of Directors all-important matters' pertaining to the Company's System of Internal Controls;
- Reviewed the Internal Audit Charter and submitted the revised Internal Audit Charter to the Board of Directors for approval;
- Approved the updated Internal Audit Processes (i.e., Risk Assessment and Audit Planning process, Engagement Process, Issues Reporting Process).

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.

Chairman of the BoD	**Chief Executive Officer**
Anastasia Verra	Epameinondas Paschalidis

INDEPENDENT AUDITOR'S REPORT

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

Independent auditor's report

To the Shareholders of NEUROSOFT SOFTWARE PRODUCTION S.A.

Report on the audit of the separate and consolidated financial statements

Our opinion

We have audited the accompanying separate and consolidated financial statements of NEUROSOFT SOFTWARE PRODUCTION S.A. (Company and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2023, the separate and consolidated statements of comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, comprising material accounting policy information.

In our opinion, the separate and consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2023, 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.

Basis for opinion

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 separate 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 (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 separate 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.

PricewaterhouseCoopers SA, GEMI: 001520401000, T: +30 210 6874400, www.pwc.gr

Athens: 260 Kifissias Avenue & 270 Kifissias Avenue, 15232 Halandri | T:+30 210 6874400
Thessaloniki: Agias Anastasias & Laertou, 55535 Pylaia | T: +30 2310 488880
Ioannina: 2 Plateia Pargis, 1st floor, 45332 | T: +30 2651 313376
Patra: 2A 28is Oktovriou & Othonos Amalias 11, 26223 | T: +30 2616 009208

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 separate 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 separate 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 separate 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 2023 is consistent with the separate 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 separate and consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the separate 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 separate 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 separate and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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, as they have been transposed into Greek Law, 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, as they have been transposed into Greek Law, 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 separate and 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, 19 April 2024

The Certified Auditor Accountant

PricewaterhouseCoopers S.A.
Certified Auditors
260 Kifissias Avenue
153 32 Halandri
SOEL Reg. No. 113

Socrates Leptos - Bourgi
SOEL Reg. No. 41541

ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

According to International Financial Reporting Standards,
as adopted by the European Union

for the year from 1 January to 31 December 2023

CONTENTS OF ANNUAL SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
	Note	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
ASSETS					
Non-current assets					
Property, plant & equipment	6	438,980	359,464	438,980	359,464
Right-of-use assets	7	2,227,319	599,053	2,227,319	599,053
Intangible assets	8	444,474	705,406	444,474	705,406
Investments in subsidiaries	9	-	-	249,508	422,930
Other non - current assets	10	93,301	91,476	93,301	91,476
		3,204,074	**1,755,399**	**3,453,582**	**2,178,329**
Current assets					
Inventories	11	732,763	796,441	732,763	796,441
Trade receivables	12	14,372,417	6,651,399	14,367,137	6,647,479
Other current assets	13	1,145,870	724,148	1,143,349	693,003
Cash and cash equivalents	14	768,160	3,808,313	742,014	3,749,981
		17,019,210	**11,980,301**	**16,985,263**	**11,886,904**
Total assets		**20,223,284**	**13,735,700**	**20,438,845**	**14,065,234**
EQUITY					
Share capital	15	3,965,612	3,965,612	3,965,612	3,965,612
Share premium	-	600,000	600,000	600,000	600,000
Reserves	16	501,331	445,832	501,331	445,832
Retained earnings	-	1,576,416	331,538	1,782,882	708,286
Total equity		**6,643,360**	**5,342,983**	**6,849,825**	**5,719,730**
LIABILITIES					
Non-current liabilities					
Borrowings	17	114,527	206,149	114,527	206,149
Lease liabilities	7	1,729,240	272,609	1,729,240	272,609
Deferred tax liabilities	18	62,186	104,418	62,186	104,418
Employee benefit plans	19	64,702	66,383	64,702	66,383
		1,970,655	**649,559**	**1,970,655**	**649,558**
Current liabilities					
Trade payables	20	7,895,446	4,151,089	7,895,446	4,154,309
Borrowings	17	91,621	91,621	91,621	91,621
Lease liabilities	7	514,079	357,521	514,079	357,521
Income tax liabilities	-	434,482	305,944	434,482	305,944
Other tax liabilities	21	1,157,663	1,389,694	1,159,083	1,391,230
Other current liabilities	22	1,515,978	1,447,288	1,523,654	1,395,321
		11,609,269	**7,743,158**	**11,618,365**	**7,695,947**
Total liabilities		**13,579,924**	**8,392,717**	**13,589,020**	**8,345,506**
Total equity and liabilities		**20,223,284**	**13,735,700**	**20,438,845**	**14,065,234**

The notes on pages 46 to 87 form an integral part of these financial statements.

STATEMENT OF TOTAL COMPREHENSIVE INCOME

		GROUP		COMPANY	
	Note	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Revenue	5	27,274,006	23,012,051	27,177,219	22,921,916
Cost of sales	23	(21,404,785)	(17,723,057)	(21,341,914)	(17,640,065)
Gross profit		**5,869,221**	**5,288,994**	**5,835,305**	**5,281,851**
Distribution expenses	23	(1,463,491)	(1,365,258)	(1,456,959)	(1,356,636)
Administrative expenses	23	(2,744,046)	(2,392,651)	(2,731,798)	(2,376,483)
Other income	24	258,984	253,156	258,984	253,156
Other gains/(losses)	-	(151,912)	(115,842)	(134,983)	(46,549)
Impairment loss on investments in subsidiaries	9	-	-	(173,422)	-
Operating Profit		**1,768,756**	**1,668,400**	**1,597,127**	**1,755,338**
Finance income	25	25	51	25	51
Finance expenses	25	(76,713)	(84,502)	(75,364)	(83,363)
Profit before income tax		**1,692,068**	**1,583,948**	**1,521,788**	**1,672,026**
Income tax	27	(411,815)	(308,150)	(411,815)	(308,150)
Profit after tax		**1,280,253**	**1,275,798**	**1,109,973**	**1,363,876**
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Actuarial gains	19	25,799	2,395	25,799	2,395
Related tax	27	(5,676)	(527)	(5,676)	(527)
Total items that will not be reclassified to profit or loss		**20,123**	**1,868**	**20,123**	**1,868**
Other comprehensive income for the year, net of tax		20,123	1,868	20,123	1,868
Total comprehensive income		**1,300,376**	**1,277,666**	**1,130,096**	**1,365,744**
Profit for the year attributable to:					
Equity holders of the parent		1,280,253	1,275,798	-	-
Non-controlling interests		-	-	-	-
		1,280,253	**1,275,798**	-	-
Total comprehensive income					
Equity holders of the parent		1,300,376	1,277,666	-	-
Non-controlling interests		-	-	-	-
		1,300,376	**1,277,666**	-	-
Profit per share (basic and diluted)	28	**0.0500**	**0.0499**	**0.0434**	**0.0533**

The notes on pages 46 to 87 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

GROUP

	Note	Share capital	Share premium	Reserves	Retained earnings	Total equity
1 January 2022		**3,965,612**	**600,000**	**377,638**	**(877,935)**	**4,065,315**
Net profit for the year		-	-	-	1,275,798	1,275,798
Other comprehensive income		-	-	-	1,868	1,868
Total comprehensive income for the year (net of tax)		**-**	**-**	**-**	**1,277,666**	**1,277,666**
Legal reserve	**16**	-	-	68,194	(68,194)	-
31 December 2022		**3,965,612**	**600,000**	**445,832**	**331,538**	**5,342,983**
1 January 2023		**3,965,612**	**600,000**	**445,832**	**331,538**	**5,342,983**
Net profit for the year		-	-	-	1,280,253	1,280,253
Other comprehensive income		-	-	-	20,123	20,123
Total comprehensive income for the year (net of tax)		**-**	**-**	**-**	**1,300,376**	**1,300,376**
Legal reserve	**16**	-	-	55,499	(55,499)	-
31 December 2023		**3,965,612**	**600,000**	**501,331**	**1,576,416**	**6,643,360**

The notes on pages 46 to 87 form an integral part of these financial statements.

COMPANY

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
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	16	-	-	68,194	(68,194)	-
31 December 2022		**3,965,612**	**600,000**	**445,832**	**708,286**	**5,719,730**
1 January 2023		**3,965,612**	**600,000**	**445,832**	**708,286**	**5,719,730**
Net profit for the year		-	-	-	1,109,973	1,109,973
Other comprehensive income		-	-	-	20,123	20,123
Total comprehensive income for the year (net of tax)		**-**	**-**	**-**	**1,130,096**	**1,130,096**
Legal reserve		-	-	55,499	(55,499)	-
31 December 2023		**3,965,612**	**600,000**	**501,331**	**1,782,882**	**6,849,825**

The notes on pages 46 to 87 form an integral part of these financial statements.

CASH FLOW STATEMENT

	Note	GROUP		COMPANY	
		01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Profit before tax		**1,692,068**	**1,583,948**	**1,521,788**	**1,672,026**
Adjustments for:					
Depreciation and amortization	6,7,8	1,404,241	1,218,737	1,404,241	1,218,737
Impairment loss on investments in subsidiaries	9	-	-	173,422	-
Provisions for doubtful debts	12	-	89,178	-	89,178
Employee benefit plans		46,334	39,778	46,334	39,778
Net finance expenses	25	76,688	84,451	75,339	83,312
Other movements relating to leases		(11,346)	8,943	(11,346)	8,943
Changes in working capital:					
Decrease/ (Increase) in inventories		63,678	(413,752)	63,678	(413,752)
Increase in receivables		(8,144,565)	(2,324,335)	(8,171,829)	-2,420,844.19
Increase in payables		3,581,597	3,198,869.68	3,637,904	3,178,273.44
Payment for staff indemnity	19	(23,410)	(20,865)	(23,410)	(20,865)
Less:					
Interest and other finance expenses paid		(45,111)	(82,841)	(43,762)	(81,702)
Income tax paid		(331,766)	-	(331,766)	-
Net cash flows (used in)/generated from operating activities		**(1,691,593)**	**3,380,727**	**(1,659,408)**	**3,351,700**
Investing activities					
Purchase of property, plant and equipment and intangible assets	6,7	(750,858)	(682,085)	(750,858)	(682,085)
Interest received		25	51	25	51
Net cash flows (used in)/ generated investing activities		**(750,833)**	**(682,034)**	**(750,833)**	**(682,034)**
Financing activities					
Proceeds from borrowings		-	400,000	-	400,000
Repayments of borrowings		(91,621)	(591,621)	(91,621)	(591,621)
Repayment of lease liabilities		(506,105)	(375,457)	(506,105)	(375.457)
Net cash flows used in financing activities		**(597,726)**	**(567,078)**	**(597,726)**	**(567.078)**
Net (decrease) / increase in cash and cash equivalents		**(3,040,153)**	**2,131,616**	**(3,007,967)**	**2,102,588**
Cash and cash equivalents at beginning of year	14	**3,808,313**	**1,676,697**	**3,749,981**	**1,647,393**
Cash and cash equivalents at the end of the year	14	**768,160**	**3,808,313**	**742,014**	**3,749,981**

The notes on pages 46 to 87 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 System Integration and Information Security capabilities. The business areas covered by Neurosoft are:

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 hacktivists, the Company 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. The 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. Company's expertise includes but is not limited to Service Providers Networks and Enterprise Network and IT, including Preventive and Corrective maintenance activities.

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

These annual separate and consolidated financial statements for the year ended 31 December 2023 were approved by the Board of Directors of "Neurosoft S.A." on 19 April 2024, 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%.

2. Summary of significant accounting policies

2.1 Basis of preparation of financial statements

The material accounting policies adopted in the preparation of these separate and consolidated Financial Statements are presented below. These policies have been applied consistently for all the financial years presented, except if 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 (IFRIC), applicable to companies reporting under IFRS and are effective as of 1 January 2023.

The separate and consolidated financial statements have been prepared under the historical cost and the going concern basis of accounting.

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.

2.2 New Standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2023. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

The following standards and interpretations were mandatory for current financial period. To the extent that these were applicable to the Group, they did not have a significant effect on its financial statements.

IFRS 17 'Insurance contracts' and Amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2023)

IFRS 17 has been issued in May 2017 and, along with the Amendments to IFRS 17 issued in June 2020, supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost.

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

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

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

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.

IFRS 17 (Amendment) 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information' (effective for annual periods beginning on or after 1 January 2023)

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

IAS 12 'Income taxes' (Amendments): International Tax Reform – Pillar Two Model Rules (effective for annual periods beginning on or after 1 January 2023)

The amendments introduce a mandatory temporary exception from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements.

The temporary exception applies immediately and retrospectively in accordance with IAS 8, whereas the targeted disclosure requirements will be applicable for annual reporting periods beginning on or after 1 January 2023.

Standards and Interpretations effective for subsequent periods

The following standards and interpretations are mandatory for subsequent periods. To the extent that these have been approved by the European Union and will apply to the Group, they are not expected to have a significant impact on its financial statements.

IAS 1 'Presentation of Financial Statements' (Amendments) (effective for annual periods beginning on or after 1 January 2024)

- **2020 Amendment 'Classification of liabilities as current or non-current'**

  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.

- **2022 Amendments 'Non-current liabilities with covenants'**

  The new amendments clarify that if the right to defer settlement is subject to the entity complying with specified conditions (covenants), this amendment will only apply to conditions that exist when compliance is measured on or before the reporting date. Additionally, the amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.

  The 2022 amendments changed the effective date of the 2020 amendments. As a result, the 2020 and 2022 amendments are effective for annual reporting periods beginning on or after 1 January 2024 and should be applied retrospectively in accordance with IAS 8. As a result of aligning the effective dates, the 2022 amendments override the 2020 amendments when they both become effective in 2024.

IFRS 16 (Amendment) 'Lease Liability in a Sale and Leaseback' (effective for annual periods beginning on or after 1 January 2024)

The amendment clarifies how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. An entity applies the requirements retrospectively back to sale and leaseback transactions that were entered into after the date when the entity initially applied IFRS 16.

IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments' (Amendments) - Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024)

The amendments require companies to disclose information about their Supplier Finance Arrangements such as terms and conditions, carrying amount of financial liabilities that are part of such arrangements, ranges of payment due dates and liquidity risk information. The amendments have not yet been endorsed by the EU.

IAS 21 'The Effects of Changes in Foreign Exchange Rates' (Amendments) - Lack of exchangeability (effective for annual periods beginning on or after 1 January 2025)

These amendments require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. The amendments have not yet been endorsed by the EU.

IFRS 18 ''Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 1 January 2027)

IFRS 18 was issued in April 2024. It sets out requirements on presentation and disclosures in financial statements and replaces IAS 1. Its objective is to make it easier for investors to compare the performance and future prospects of entities by changing the requirements for presenting information in the primary financial statements, particularly the statement of profit or loss. The new standard:

- requires presentation of two new defined subtotals in the statement of profit or loss—operating profit and profit before financing and income taxes.

- requires disclosure of management-defined performance measures—subtotals of income and expenses not specified by IFRS that are used in public communications to communicate management's view of an aspect of a company's financial performance. To promote transparency, a company will be required to provide a reconciliation between these measures and totals or subtotals specified by IFRS.

- enhances the requirements for aggregation and disaggregation to help a company to provide useful information.

- requires limited changes to the statement of cash flows to improve comparability by specifying a consistent starting point for the indirect method of reporting cash flows from operating activities and eliminating options for the classification of interest and dividend cash flows.

The new standard has retrospective application. It has not yet been endorsed by the EU.

2.3 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 to the former owners of the acquiree 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. This includes the separation of embedded derivatives in host contracts by the acquisition. 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.

2.4 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. 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.

2.5 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.

2.6 Property, plant and equipment

Property, plant and equipment are presented in the financial statements at historical cost less accumulated depreciation and any impairments (Note 2.9). 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 presented as an expense in the profit and loss when incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method over their estimated useful life as follows:

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

The residual values and useful lives property, plant and equipment are subject to review at each balance sheet date. When the carrying values of property, plant and equipment exceed their recoverable amount, the difference (impairment) is immediately recognized in the statement of comprehensive income as an expense (Note 2.9).

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

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

2.7 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 separate and consolidated statement of financial position.

The right-of-use assets are also subject to impairment, as described in Note 2.9.

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 separate and consolidated 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 Statement of Total Comprehensive Income (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.

2.8 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, as described in Note 2.9.

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

2.9 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 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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.

2.17 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.

(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.

2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 Reclassifications

Reclassifications of items have been carried out in the comparative financial statements to ensure their comparability with the presentation of corresponding items in the financial statements of the current period.

These reclassifications had no impact on the net assets or income statement of the Company and the Group.

Specifically, the reclassifications carried out in the Group's & Company's financial statements are as follows:

- An amount of €118,334 was reclassified from " Other current assets" to "Income tax liabilities"

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) Currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. The Group operates in Greece and Cyprus and the vast majority of its income, transactions, supplier agreements and costs are denominated or based in euro. However, the Company's Management continuously monitors the foreign exchange risks that may arise and evaluates the need for such measures.

ii) Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities and assets. Cash flow interest rate risk is the risk that changes in market interest rates will impact cash flows arising from variable rate financial instruments. Fair value interest rate risk is the risk that the value of a financial asset or liability will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in interest rates. The Group's main exposure to interest rate risk arises from the Group's bank borrowings, which are at floating rates. Company's Management monitors fluctuations in interest rates on a continuous basis and evaluates the need for taking positions to hedge against such risks. At 31 December 2023, if interest rates on Euro denominated borrowings had been 1,0% higher with all other variables held constant, pre-tax loss for the year would have been €2,558 higher, excluding any positive impact of interest income on deposits.

(b) Credit risk

Credit risk is the risk of financial loss to the Group 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 Group 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 to be assessed. Therefore, the Group continuously develops and further evolves its internal risk management mechanisms to fully confront this risk.

(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 analyzes the Group's and Company's financial liabilities as of 31 December 2023 and 2022 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 2023**				
	Maturity of financial liabilities				
	Within 1 year	**From 1 to 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Trade payables	7,895,446	-	-	-	**7,895,446**
Other current liabilities	748,356	-	-	-	**748,356**
Lease liabilities	579,715	529,006	1,083,355	239,929	**2,432,006**
Borrowings	104,789	97,736	23,346	-	**225,871**

GROUP	**31 December 2022**				
	Maturity of financial liabilities				
	Within 1 year	**From 1 to 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Trade payables	4,151,089	-	-	-	**4,151,089**
Other current liabilities	892,526	-	-	-	**892,526**
Lease liabilities	372,331	147,550	134,991	-	**654,873**
Borrowings	104,514	100,054	118,732	-	**323,300**

COMPANY	**31 December 2023**				
	MATURITY OF FINANCIAL LIABILITIES				
	Within 1 year	**From 1 to 2 years**	**Between 2 and 5 years**	**Over 5 years**	**Total**
Trade payables	7,895,446	-	-	-	**7,895,446**
Other current liabilities[1]	756,032	-	-	-	**756,032**
Lease liabilities[2]	579,715	529,006	1,083,355	239,929	**2,432,006**
Borrowings[2]	104,789	97,736	23,346	-	**225,871**

COMPANY	31 December 2022				
	MATURITY OF FINANCIAL LIABILITIES				
	Within 1 year	From 1 to 2 years	Between 2 and 5 years	Over 5 years	Total
Trade payables	4,154,309	-	-	-	**4,154,309**
Other current liabilities[1]	840,057	-	-	-	**840,057**
Lease liabilities[2]	372,331	147,550	134,991	-	**654,873**
Borrowings[2]	104,514	100,054	118,732	-	**323,300**

[1] 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.

[2] 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.

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.

As the Group and Company's cash and cash equivalents exceeded borrowings and lease liabilities as at 31 December 2022 and 2023, their net debt position at those dates was negative.

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Long-term borrowings	114,527	206,149	114,527	206,149
Short-term borrowings	91,621	91,621	91,621	91,621
Long-term lease liabilities	1,729,240	272,609	1,729,240	272,609
Short-term lease liabilities	514,079	357,521	514,079	357,521
Cash and cash equivalents	(768,160)	(3,808,313)	(742,014)	(3,749,981)
Net debt	**1,681,308**	**(2,880,413)**	**1,707,454**	**(2,822,081)**
Total equity	**6,643,360**	**5,342,983**	**6,849,825**	**5,719,730**
Net debt to equity	**0.25**	**(0.54)**	**0.25**	**(0.49)**

3.3 Other risks

Climate change risk

The Group is conscious of global climate change and environmental issues and acknowledges the increasing importance of climate change as a significant risk factor that may impact its operations, financial performance, and long-term sustainability. Climate risks pose operational challenges, including increased energy costs, energy and fuel price volatility, energy supply interruptions, non-compliance with relevant environmental legislation and regulations, and potential damage to our facilities due to extreme weather incidents, resulting in possible reputational issues and potential operational disruptions. However, in our effort to contribute to the mitigation of such issues and we systematically work towards minimizing our potential negative impact. We comply with current environmental legislation and relevant provisions and through our relevant management systems (ISO14001), we are committed to conducting business in an environmentally responsible way, acknowledging that the protection of the environment, energy saving and the conservation of natural resources are integral parts of responsible and sustainable business development.

Risk related to political and economic conditions, as well as market conditions and developments in Greece.

In 2023, the Greek economy experienced ongoing expansion, fueled by increased investment levels and robust private consumption. This trend is expected to persist in 2024, with growth surpassing long-term potential, supported by favorable external conditions. Prudent fiscal policies and a thriving tourism sector were key drivers of growth in 2023, and these factors are anticipated to sustain positive momentum into 2024. The potential for central banks to implement interest rate cuts may further bolster the outlook for the year, facilitated by the normalization of energy prices and a continued deceleration in inflation. However, it's important to note that prolonged geopolitical tensions could pose a downside risk to projected growth.

3.4 Fair value estimation

The Group use the following scale to determine and disclose the fair value of financial instruments for each valuation technique:

Level 1: Traded (non-adjusted) prices on active markets for similar assets or liabilities.

Level 2: Other techniques for which all inflows with a major impact on recorded fair value are directly or indirectly observable.

Level 3: Techniques that use inflows with a major impact on recorded fair value not based on observable market data.

There are no other financial or non-financial assets or liabilities that are measured at fair value as at reporting period end.

The amounts presented in the Financial Statements for cash, trade and other receivables, trade and other current liabilities approach their respective fair values due to their short-term maturity.

The Group’s financial instruments mainly include trade receivables, cash, trade payables and borrowings. The carrying amount of financial instruments approximates their fair value.

4. Significant estimates and judgements of the management

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

(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 recognized 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.

The Group, in accordance with the Strategic Business Plan for 2023-2027, operates under three business segments "Cyber Security Operations", "Field Services Operations" and "Infrastructure & Cloud Operations". This structure is considered an efficient way to improve market penetration and increase business, as the Group shall fully exploit the continuous investment plan in R&D and shall create economies of scale and to pursue large scale projects and critical business transactions.

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

1) Cyber Security Operations

In a cyber world full of viruses, malware, hacktivists and cyber criminals the Group and the Company have a mission to effectively protect companies and organizations from the impact of cyber-attacks while offering an extensive suite of security services and solutions. With guidance and expertise clients can significantly enhance the protection of mission-critical data from evolving threats.

2) Field Services Operations

The Group offers high-quality on-site services in an unparalleled geographical footprint with 40+ service points across Greece and Cyprus. The highly skilled engineers and support specialists are dedicated to assisting Company's customers with a variety of activities enabling them to increase efficiency and reduce service and repairs. Offering extensive experience that includes, but is not limited, to Service Providers Networks and Enterprise Network and IT, including Preventive and Corrective maintenance activities.

3) Infrastructure & Cloud Operations

Group's teams continuously explore and assess new technologies so the customers can enjoy high-quality solutions and services. With the ever-changing dynamics of the new marketplace and the different vendor's technology strategy and objectives. Group opt to providing state of the art design and implementation services based on the customers' needs, by always finding the best fit for every case.

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 on 31 December 2023 and 2022 is analyzed as follows:

01.01.2023 - 31.12.2023	Cyber Security Operations	Field Services Operations	Infrastructure & Cloud Operations	Total
Revenue	5,124,611	12,273,337	9,876,058	27,274,006
Cost of sales	(3,942,626)	(9,343,095)	(8,119,064)	(21,404,785)
Gross profit	**1,181,985**	**2,930,242**	**1,756,994**	**5,869,221**
Operating Profit	**430,146**	**1,172,256**	**166,354**	**1,768,756**

01.01.2022 - 31.12.2022	Cyber Security Operations	Field Services Operations	Infrastructure & Cloud Operations	Total
Revenue	3,210,084	10,812,209	8,989,758	23,012,051
Cost of sales	(2,629,906)	(8,239,348)	(6,853,803)	(17,723,057)
Gross profit	**580,178**	**2,572,861**	**2,135,956**	**5,288,994**
Operating Profit	**249,910**	**755,742**	**662,747**	**1,668,400**

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 2022		**499,276**	**92,237**	**3,218**	**995,026**	**1,589,755**
Additions		1,750	2,636	-	95,111	99,497
31 December 2022		**501,026**	**94,873**	**3,218**	**1,090,136**	**1,689,252**
Additions		40,285	84,211	2,448	222,005	348,948
31 December 2023		**541,311**	**179,084**	**5,665**	**1,312,141**	**2,038,200**
Accumulated depreciation						
1 January 2022		**(336,113)**	**(47,635)**	**(2,809)**	**(807,129)**	**(1,193,687)**
Depreciation	23	(49,778)	(10,646)	(252)	(75,425)	(136,101)
31 December 2022		**(385,891)**	**(58,281)**	**(3,061)**	**(882,555)**	**(1,329,788)**
Depreciation	23	(76,351)	(27,130)	(2,537)	(163,414)	(269,432)
31 December 2023		**(462,241)**	**(85,412)**	**(5,598)**	**(1,045,969)**	**(1,599,220)**
Net book value at 31.12.2022		**115,135**	**36,591**	**156**	**207,581**	**359,464**
Net book value at 31.12.2023		**79,070**	**93,672**	**67**	**266,172**	**438,980**

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 2022		**781,382**	**1,020,694**	**1,802,075**
Additions		8,715	262,895	271,610
Other movements		36,925	(35,538)	1,386
31 December 2022		**827,021**	**1,248,050**	**2,075,071**
Additions		78,583	636,358	714,941
Lease modifications		1,373,11 5	-	1,373,115
Other movements		-	12,176	12,176
31 December 2023		**2,278,719**	**1,896,585**	**4,175,304**
Accumulated depreciation				
1 January 2022		**(469,129)**	**(623,019)**	**(1,092,148)**
Depreciation	23	(181,842)	(202,028)	(383,870)
31 December 2022		**(650,971)**	**(825,047)**	**(1,476,018)**
Depreciation	23	(191,795)	(280,172)	(471,967)
31 December 2023		**(842,765)**	**(1,105,220)**	**(1,947,985)**
Net book value at 31.12.2022		**176,050**	**423,003**	**599,053**
Net book value at 31.12.2023		**1,435,954**	**791,365**	**2,227,319**

The item "Lease modifications" mainly relates to the renewal of the buildings's rental agreement and the respective change due to the increase in lease monthly fee.

The separate and consolidated statement of financial position as of 31 December 2023 and 2022 include the following amounts related to lease liabilities:

	GROUP & COMPANY Buildings	Motor Vehicles	Total
Lease liabilities - 1 January 2023	**186,970**	**443,159**	**630,129**
Additions	78,583	636,358	714,941
Lease modifications	1,373,170	-	1,373,170
Interest expense	8,622	21,785	30,407
Lease payments	(207,533)	(298,570)	(506,104)
Lease amendments	-	775	775
Lease liabilities - 31 January 2023	**1,439,812**	**803,507**	**2,243,319**

	GROUP & COMPANY Buildings	Motor Vehicles	Total
Lease liabilities - 1 January 2022	**327,850**	**409,397**	**737,247**
Additions	8,715	262,895	271,610
Interest expense	9,781	13,489	23,270
Lease payments	(196,246)	(216,081)	(412,327)
Lease amendments	36,870	(26,540)	10,329
Lease liabilities - 31 January 2022	**186,970**	**443,159**	**630,129**

	GROUP & COMPANY	GROUP & COMPANY
	31.12.2023	31.12.2022
Lease liabilities (short-term portion)	514,079	357,521
Lease liabilities (long-term portion)	1,729,240	272,609
Total lease liabilities	**2,243,319**	**630,130**

The maturity analysis of lease liabilities is presented below:

	GROUP & COMPANY	GROUP & COMPANY
	31.12.2023	31.12.2022
Lease liabilities-minimum lease payments		
Up to 1 year	579,715	372,331
1 to 2 years	529,006	147,550
2 to 5 years	1,083,355	134,991
Over 5 years	239,929	-
Total	**2,432,006**	**654,873**
Less: Future finance cost of lease liabilities	(188,687)	(24,743)
Present value of lease liabilities	**2,243,319**	**630,130**

8. Intangible assets

Intangible assets are analyzed as follows:

		GROUP		
	Note	Software	Software development cost	Total
Cost				
1 January 2022		**697,486**	**6,417,289**	**7,114,776**
Additions		582,588	-	582,588
31 December 2022		**1,280,074**	**6,417,289**	**7,697,364**
Additions		401,910	-	401,910
31 December 2023		**1,681,984**	**6,417,289**	**8,099,273**
Accumulated amortisation and impairment				
1 January 2022		**(513,632)**	**(5,779,561)**	**(6,293,193)**
Amortization	23	(247,757)	(451,008)	(698,766)
31 December 2022		**(761,389)**	**(6,230,570)**	**(6,991,959)**
Amortization	23	(512,759)	(150,084)	(662,842)
31 December 2023		**(1,274,147)**	**(6,380,653)**	**(7,654,801)**
Net book value at 31.12.2022		**518,685**	**186,720**	**705,406**
Net book value at 31.12.2023		**407,837**	**36,636**	**444,474**

	Note	COMPANY Software	Software development cost	Total
Cost				
1 January 2022		**689,543**	**5,287,160**	**5,976,703**
Additions		582,588	-	582,588
31 December 2022		**1,272,131**	**5,287,160**	**6,559,291**
Additions		401,910	-	401,910
31 December 2023		**1,674,041**	**5,287,160**	**6,961,201**
Accumulated amortisation and impairment				
1 January 2022		**(506,677)**	**(4,648,443)**	**(5,155,120)**
Amortization	23	(247,757)	(451,008)	(698,766)
31 December 2022		**(754,434)**	**(5,099,451)**	**(5,853,885)**
Amortization	23	(512,759)	**(150,084)**	(662,842)
31 December 2023		**(1,267,192)**	**(5,249,535)**	**(6,516,728)**
Net book value at 31.12.2022		**517,697**	**187,708**	**705,406**
Net book value at 31.12.2023		**406,849**	**37,624**	**444,474**

9. Investment in subsidiaries

Subsidiaries of the Company are analyzed as follows:

	31.12.2023		31.12.2022	
Company Name	**Value of participation**	**% of participation**	**Value of participation**	**% of participation**
NEUROSOFT CYPRUS LTD	249,508	100%	422,930	100%
NEUROSOFT ROMANIA SRL*	-	95%	-	95%
	249,508		**422,930**	

* 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:

	31.12.2023	31.12.2022
Opening Balance	**422,930**	**242,930**
Share capital increase of subsidiary	-	180,000
Impairment losses	(173,422)	-
Closing Balance	**249,508**	**422,930**

Following operational challenges, there were indications that the carrying value of the subsidiary NEUROSOFT CYPRUS LTD exceeds its recoverable amount and an impairment test was carried out at 31.12.2023.

The subsidiary NEUROSOFT CYPRUS LTD was defined as a cash generating unit (CGU) for impairment testing purposes, conducted with respect to fair value as of 31 December 2023, due to losses in recent years.

The recoverable amount of this cash-generating unit was determined based on the value-in-use method. The value-in-use was calculated by using cash flow forecasts that were based on the five-year budget approved by Management, which were then projected into perpetuity.

The main assumptions used by Management in the calculation of the cash flow forecasts in the context of the annual impairment test relating to investments in subsidiaries, are the following:

- EBITDA margin: 10.38% - 10.66%
- Growth rate: 2.00%
- WACC: 7.80%

Based on the results of the impairment test as of 31.12.2023, the recoverable amount of the above CGU is less than its book value. The Company proceeded to the recognition of impairment losses for the amount of €173,422 which was recognized in the line "Impairment loss on investments in subsidiaries" in the Statement of total comprehensive income.

10. Other non - current assets

Other non-current assets are analyzed as follows:

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Guarantees	93,301	91,476	93,301	91,476
Total	**93,301**	**91,476**	**93,301**	**91,476**

11. Inventories

Inventories are analyzed as follows:

	GROUP		COMPANY	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Merchandise	732,763	796,441	732,763	796,441
Total	**732,763**	**796,441**	**732,763**	**796,441**

The Group and the Company have not pledged their inventories as collateral.

12. Trade receivables

Trade receivables are analyzed as follows:

		GROUP		COMPANY	
	Note	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Trade receivables – Third Parties		11,853,680	4,884,867	11,853,680	4,884,867
Trade receivables - Related parties	29	2,368,011	1,648,268	2,362,731	1,644,348
Cheques and notes receivable		59,774	62,843	59,774	62,843
Doubtful trade receivables		174,321	174,321	174,321	174,321
Other		204,108	168,576	204,108	168,576
Less: Allowance for doubtful trade receivable		(287,476)	(287,476)	(287,476)	(287,476)
Total		**14,372,417**	**6,651,399**	**14,367,137**	**6,647,479**

The increase in trade receivables from third parties of the Company and the Group on 31.12.2023 compared to 31.12.2022 is mainly due to the PPC – SD LAN & Structured Cabling Project. Major part of the receivable has been collected during the first quarter of 2024.

The fair value of trade receivables approximates their carrying values.

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

	GROUP & COMPANY
1 January 2022	**(198,299)**
Increase of provision	(89,178)
31 December 2022	**(287,476)**
1 January 2023	**(287,476)**
31 December 2023	**(287,476)**

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 measure 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 €287,476 as of 31 December 2023 (2022: €287,476) relates to trade receivables overdue for more than 1 year.

The ageing analysis of trade receivables as at 31 December 2023 and 2022 is the following:

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Not past due and not impaired	13,949,408	5,829,379	13,944,128	5,825,459
Overdue:				
Up to 3 months	125,860	754,485	125,860	754,485
3 - 6 months	28,003	61,408	28,003	61,408
Over 1 year	556,622	293,603	556,622	293,603
	14,659,893	**6,938,875**	**14,654,613**	**6,934,955**
Less: Provision for impairment	(287,476)	(287,476)	(287,476)	(287,476)
Trade receivables - net	**14,372,417**	**6,651,399**	**14,367,137**	**6,647,479**

Trade receivables are denominated in the following currencies:

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
EURO (EUR)	14,372,417	6,651,399	14,367,137	6,647,479
	14,372,417	**6,651,399**	**14,367,137**	**6,647,479**

13. Other current assets

Other current assets are analyzed as follows:

		GROUP		COMPANY	
	Note	31.12.2022	31.12.2022	31.12.2023	31.12.2022
Prepaid expenses		448,261	414,242	448,386	389,308
Contract assets		417,694	244,626	417,694	244,626
Advances to suppliers/creditors		95,590	75,597	95,590	75,597
Advances to employees and other advances		4,373	6,177	4,373	6,177
Receivables from related parties	29	-	-	170,257	170,257
Other debtors		5,875	9,429	3,228	3,218
Receivable from remeasurement of contingent consideration	24	200,000	-	200,000	-
Less: Provision for impairment		(25,922)	(25,922)	(196,179)	(196,179)
Total		**1,145,870**	**724,148**	**1,143,349**	**693,003**

The “receivable from remeasurement of the contingent consideration” includes the amount of € 200,000 which relates to the remeasurement of the contingent consideration of the disposal of 100% of shares of the subsidiary “TensoFin Software Production Single Member Société Anonyme” that took place on 31.10.2021. The amount has been collected in April of 2024.

Other current assets are denominated in the following currencies:

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
EURO (EUR)	1,145,870	724,148	1,143,349	693,003
	1,145,870	**724,148**	**1,143,349**	**693,003**

14. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	GROUP		COMPANY	
	31.12.2023	31.12.202 2	31.12.2023	31.12.2022
Cash in hand	2,999	15,036	2,999	15,036
Cash at bank	765,161	3,793,277	739,015	3,734,945
Total	**768,160**	**3,808,313**	**742,014**	**3,749,981**

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

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
EURO (EUR)	766,610	3,807,025	740,465	3,748,694
USA Dollars (USD)	394	175	394	175
BRITISH POUND (GBP)	1,156	1,112	1,156	1,112
	768,160	**3,808,313**	**742,014**	**3,749,981**

15. Share capital

As at 31 December 2023 and 2022 the Company's share capital amounted to €3,965,612, divided into 25,584,594 ordinary shares with a par value of €0.155 each.

The 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%
OPAP CYPRUS LIMITED	1,154,315	4.51%
INTERNATIONAL GAME TECHNOLOGY PLC	4,176,537	16.32%
FREE FLOAT	4,082,057	15.96%
Total	**25,584,594**	**100.00%**

16. Reserves

Other reserves are analyzed as follows:

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Legal reserve	496,484	440,986	496,484	440,986
Special reserve	4,847	4,847	4,847	4,847
Total	**501,331**	**445,832**	**501,331**	**445,832**

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. During the year 2023, the Company has transferred from retained earnings to legal reserve the amount of € 55,499.

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.

17. Borrowings

	GROUP AND COMPANY	
	31.12.2023	**31.12.2022**
Long-term borrowings		
Long-term bank borrowings	114,527	206,149
Total non-current borrowings	**114,527**	**206,149**
Short-term borrowings		
Short-term portion of long-term bank borrowings	91,621	91,621
Total current borrowings	**91,621**	**91,621**
Total borrowings	**206,149**	**297,770**

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, with the last installment payable on 31 December 2025. As of 31 December 2023, the outstanding balance of the loan amounts to €210,137. The loan is at floating rate based on 3 months Euribor, plus a margin of 3% and a contribution of 0.6%. During the year, the company proceeded with capital repayment of € 91,621 and the interest expense recognized was € 16,473 (Note 25).

The Company has an open credit facility account with Eurobank S. with credit limit of 2,000,000. The facility is at floating rate, equal to the working capital base rate as announced by the Bank. As at 31 December 2023, the outstanding balance of the loan amounts to €- (2022: €-).

All Company borrowings are expressed in Euros.

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

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	**Total**
31.12.2023		
Total borrowings	206,149	206,149
	206,149	**206,149**
31.12.2022		
Total borrowings	297,770	297,770
	297,770	**297,770**

The maturities of non-current borrowings are as follows:

	GROUP AND COMPANY	
	31.12.2023	**31.12.2022**
Between 1 and 2 years	91,621	91,621
2 to 5 years	22,906	114,527
	114,527	**206,149**

18. Deferred tax liabilities

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	
	31.12.2023	31.12.2022
Deferred tax liabilities	(670,681)	(338,103)
Deferred tax assets	608,495	233,685
Net deferred tax liabilities	**(62,186)**	**(104,418)**

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

	GROUP AND COMPANY	
	31.12.2023	31.12.2022
Balance at beginning of year	(104,418)	(165,683)
Charge recognised in statement of comprehensive income	47,908	61,793
Charge recognised in statement of other comprehensive income	(5,676)	(527)
Balance at end of year	**(62,186)**	**(104,418)**

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	Right-of-use assets	Total
1 January 2022	**(293,257)**	**(156,184)**	**(449,442)**
Recognized to the statement of comprehensive income	86,947	24,392	111,339
31 December 2022	**(206,310)**	**(131,792)**	**(338,103)**

	Intangible assets	Right-of-use assets	Total
1 January 2023	**(206,310)**	**(131,792)**	**(338,103)**
Recognized to the statement of comprehensive income	25,640	(358,218)	(332,578)
1 December 2023	**(180,671)**	**(490,010)**	**(670,681)**

Deferred tax assets

	Leases Liabilities	Employee benefit plans	Provisions for bad debts	Other	Total
1 January 2022	**162,194**	**10,971**	**43,210**	**67,383**	**283,758**
Recognized to the statement of comprehensive income	(23,566)	4,161	19,619	(49,761)	(49,546)
Recognized to other comprehensive income	-	(527)	-	-	(527)
31 December 2022	**138,629**	**14,605**	**62,829**	**17,622**	**233,685**
1 January 2023	**138,629**	**14,605**	**62,829**	**17,622**	**233,685**
Recognized to the statement of comprehensive income	354,902	5,306	-	20,278	380,486
Recognized to other comprehensive income	-	(5,676)	-		(5,676)
31 December 2023	**493,530**	**14,235**	**62,829**	**37,900**	**608,495**

19. 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 2023 and 2022 are as follows:

	GROUP AND COMPANY	
	31.12.2023	**31.12.2022**
Liabilities in the Statement of Financial Position for:		
Retirement benefits	64,702	66,383
Total	**64,702**	**66,383**

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

	GROUP AND COMPANY	
Charge for:	**01.01.2023 - 31.12.2023**	**01.01.2022 - 31.12.2022**
Current service cost	26,379	19,450
Interest cost	1,195	299
Cost of settlements / cuts / special cases	19,954	20,029
Total	**47,529**	**39,778**

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

	GROUP AND COMPANY	
	31.12.2023	31.12.2022
Opening balance	**66,383**	**49,865**
Current service cost	26,379	19,450
Interest cost	1,195	299
Cost of settlements / cuts / special cases	19,954	20,029
Benefits paid	(23,410)	(20,865)
Actuarial losses	(25,799)	(2,395)
Closing balance	**64,702**	**66,383**

The principal actuarial assumptions used for accounting purposes are:

	GROUP AND COMPANY	
	31.12.2023	31.12.2022
Discount rate	3.59%	1.80%
Annual salary increase	2.10%	2.20%
Inflation rate	2.10%	2.20%

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

	Effect on liability in financial year 2023		
	Change in assumption by	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(6.84%)	2.01%
Annual salary increase	0.50%	0.88%	(5.80%)

20. Trade payables

Trade payables are analyzed as follows:

		GROUP		COMPANY	
	Note	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Trade payables		7,890,113	4,131,380	7,890,113	4,134,600
Trade payables - Related parties	29	5,333	19,709	5,333	19,709
Total		**7,895,446**	**4,151,089**	**7,895,446**	**4,154,309**

The increase of trade payables is due to the projects that have been awarded to the Company during the second semester of the year and the relative supplies were bought. Part of these payables have been paid within the first quarter of 2024.

The fair value of trade payables approximates their carrying values.

Payables are denominated in the following currencies:

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
EURO (EUR)	7,830,436	4,076,365	7,830,436	4,079,584
US DOLLAR (USD)	65,002	74,725	65,002	74,725
GB POUND (GBP)	8	-	8	-
	7,895,446	**4,151,089**	**7,895,446**	**4,154,309**

21. Other tax liabilities

Other tax liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
VAT payable	905,542	1,180,020	906,961	1,181,556
Other taxes and duties payable	252,122	209,674	252,122	209,674
Total	**1,157,663**	**1,389,694**	**1,159,083**	**1,391,230**

22. Other current liabilities

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Social security liabilities	384,904	287,186	384,904	287,186
Contract liabilities	356,250	237,819	356,250	237,819
Advances from customers	26,466	26,466	26,466	26,466
Accrued expenses	721,577	832,910	721,677	815,797
Other current liabilities	26,779	62,907	34,355	28,053
Total	**1,515,977**	**1,447,288**	**1,523,652**	**1,395,321**

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

23. Expenses per category

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

		GROUP		COMPANY	
	Note	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Payroll and related costs	26	8,794,831	6,982,477	8,794,572	6,982,477
Professional fees and services		4,531,341	4,678,583	4,451,739	4,573,543
Taxes and duties		26,908	14,978	26,558	14,628
Cost of sales of inventory and consumables		7,318,684	5,440,784	7,318,684	5,440,784
Depreciation of PPE and right-of-use assets and amortization of intangible assets	6,7,8	1,404,241	1,218,737	1,404,241	1,218,737
Allowance for doubtful trade receivables	12	-	89,178	-	89,178
Logistics-warehousing services		492,532	520,043	492,532	520,043
Transportation expenses		884,407	613,068	884,407	613,068
Subscriptions		682,128	655,716	682,128	655,716
Consumables		175,823	222,820	175,823	222,820
Utilities		152,258	134,349	150,819	133,017
Travel expenses		404,980	420,111	404,980	419,052
Advertising costs		115,141	59,692	115,141	59,692
Rents		217,315	181,428	217,315	181,428
Insurance expenses		45,055	35,386	45,055	35,386
Other expenses		366,678	213,615	366,678	213,615
Total		**25,612,322**	**21,480,965**	**25,530,671**	**21,373,184**

The above expenses in the financial statements of the fiscal year 2023 and 2022 are presented as follows:

	GROUP		COMPANY	
	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Cost of sales	21,404,785	17,723,057	21,341,914	17,640,065
Distribution expenses	1,463,491	1,365,258	1,456,959	1,356,636
Administrative expenses	2,744,046	2,392,651	2,731,798	2,376,483
Total	**25,612,322**	**21,480,965**	**25,530,671**	**21,373,184**

24. Other income

	GROUP		COMPANY	
	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Grants	23,742	233,307	23,742	233,307
Rental income	12,523	10,500	12,523	10,500
Remeasurement of the contingent consideration	200,000	-	200,000	-
Other income	22,720	9,349	22,720	9,349
Total	**258,984**	**253,156**	**258,984**	**253,156**

The “Remeasurement of the contingent consideration” includes the amount of € 200,000 which relates to the remeasurement of the contingent consideration of the disposal of 100% of shares of the subsidiary “TensoFin Software Production Single Member Société Anonyme” that took place on 31.10.2021. The amount has been collected in April of 2024.

25. Financial income / (expenses)

Financial income / (expenses) are analyzed as follows:

	GROUP		COMPANY	
	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Finance expenses				
Interest expense on bank borrowings	(16,473)	(27,140)	(16,473)	(27,140)
Interest expense on lease liabilities	(30,407)	(23,270)	(30,407)	(23,270)
Other finance expenses	(29,834)	(34,092)	(28,485)	(32,953)
Total finance expenses	**(76,713)**	**(84,502)**	**(75,364)**	**(83,363)**
Finance income				
Interest income	25	51	25	51
Total finance income	**25**	**51**	**25**	**51**
Total finance expenses - net	**(76,688)**	**(84,451)**	**(75,339)**	**(83,312)**

26. Payroll costs

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

	GROUP		COMPANY	
	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Wages and salaries	6,928,897	5,455,947	6,928,897	5,455,947
Social security costs	1,531,599	1,275,370	1,531,340	1,275,370
Costs of employee benefit plans	46,334	47,505	46,334	47,505
Other staff costs	288,001	203,656	288,001	203,656
Total	**8,794,831**	**6,982,477**	**8,794,572**	**6,982,477**

The number of employees for the Group and the Company on 31 December 2023, amounted to 295. On 31 December 2022, the respective number of employees was 215.

27. Income tax expense

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

Amounts recognised in Profit / (Loss)

	GROUP		COMPANY	
	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023- 31.12.2023	01.01.2022 - 31.12.2022
Current income tax on profits for the year	454,492	369,943	454,492	369,943
Deferred tax	(47,908)	(61,793)	(47,908)	(61,793)
Adjustments for current tax of prior periods	5,231	-	5,231	-
Total	**411,815**	**308,150**	**411,815**	**308,150**

Amounts recognised in other comprehensive income

	GROUP		COMPANY	
	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Deferred tax	5,676	527	5,676	527
Total	**5,676**	**527**	**5,676**	**527**

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

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 that has been accordingly revised by L. 4262/2014. 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 2022 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 (POL 1006/05.01.2016), 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 tax compliance audit for the financial year 2023 is being performed by PricewaterhouseCoopers S.A. Upon completion of the tax compliance audit, management does not expect that significant additional tax liabilities will arise, in excess of those provided for and disclosed in the financial statements.

During 2023, the Company was under tax audit by the Greek tax authorities for the years 2017-2018 and it was completed in December 2023. A total amount of € 59,567 for additional taxes was assessed for the Company and has been recognised in the financial statements. During the year, the Group reversed the provision of €54,336 that has been recognized for unaudited tax years as the tax audit by the Greek tax authorities has been completed.

Tax liabilities for the years 2019-2022 are not considered to be final. Accordingly, a possible tax audit by the tax authorities may impose further taxes and fines, the amount of which is not expected to be material.

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.	2021-2022
Neurosoft Romania Srl.	23/6/2008 – today

In a future tax audit of the unaudited tax years by the tax authorities. it is possible that additional taxes and penalties may be charged to the Company 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 reconciliation of income tax is the following:

	GROUP		**COMPANY**	
	01.01.2023 - 31.12.2023	**01.01.2022 - 31.12.2022**	**01.01.2023 - 31.12.2023**	**01.01.2022 - 31.12.2022**
Accounting profit before tax	**1,692,068**	**1.583.948**	**1,521,788**	**1,672,026**
Tax rate applicable in the parent's country of establishment	**22%**	**22%**	**22%**	**22%**
Tax calculated based on the tax rate applicable in the parent’s country of establishment	372,255	348.469	334,793	367,846
Tax effect of non-tax-deductible expenses and non-taxable income	37,085	28.887	36,693	17,877
Other items for which no deferred tax is recognized	(3,055)	-	35,098	-
Adjustments for current tax of prior periods	5,231	-	5,231	-
Use of tax losses from prior financial years	-	(77.573)	-	(77,573)
Effect from different tax rates applying in other countries where the Group operates	298	8.367	-	-
Income tax expense	**411,815**	**308,150**	**411,815**	**308,150**

28. Profits 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.

The following reflects the net profit and share data used in the basic and diluted earnings per share computations as on 31 December 2023 and 2022:

	GROUP		COMPANY	
	01.01.2023 - 31.12.2023	**01.01.2022 - 31.12.2022**	**01.01.2023 - 31.12.2023**	**01.01.2022 - 31.12.2022**
Net profit attributable to the shareholders of the parent	**1,280,253**	**1,275,798**	**1,109,973**	**1,363,876**
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 profit per share	25,584,594	25,584,594	25,584,594	25,584,594
Profit per share - basic and diluted	**0.0500**	**0.0499**	**0.0434**	**0.0533**

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.

29. 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, as are entities within the Allwyn International a.s. Group and KKCG Group, to which OPAP S.A. belongs.

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	
	01.01.2023 - 31.12.2023	**01.01.2022 - 31.12.2022**	**01.01.2023 - 31.12.2023**	**01.01.2022 - 31.12.2022**
Sales of services				
OPAP S.A.	10,419,277	9,337,398	10,419,277	9,337,398
OPAP Sports LTD	19,708	16,175	-	-
OPAP Cyprus LTD	73,785	73,960	-	-
	10,512,769	**9,427,533**	**10,419,277**	**9,337,398**

	GROUP		COMPANY	
	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022
Purchase of services				
Metasan S.A.	62,605	21,944	62,605	21,944
	62,605	**21,944**	**62,605**	**21,944**

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 €1,129,283 (2022: €765,356).

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 exists.

• All transactions mentioned above are carried out at arm’s 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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Trade receivables from related parties				
OPAP S.A.	2,362,731	1,644,348	2,362,731	1,644,348
OPAP Cyprus LTD	5,000	3,560	-	-
OPAP Sports LTD	280	360	-	-
	2,368,011	**1,648,268**	**2,362,731**	**1,644,348**
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**
Provision for impairment			(170,257)	(170,257)
Total other receivables from related parties	-	-	-	-

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Trade payables to related parties				
OPAP S.A.	5,333	9,486	5,333	9,486
Metasan S.A.	-	10,223	-	10,223
	5,333	**19,709**	**5,333**	**19,709**

30. Audit fees

The auditors of the Company for the year 2023 and 2022 was the audit firm PRICEWATERHOUSECOOPERS S.A. The fees for auditing services and fees for the Tax Certificate for 2023 amount to €35,000 and €14,000 respectively and for 2022 amount to €30,000 and €13,000.

31. 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 of 31 December 2023 and 2022 issued letters of guarantee amounted to € 822,465 and €1,346,729 respectively.

32. Subsequent events

There were no subsequent events that require adjustments to or disclosures in the financial statements as of 31 December 2023.

Athens, 19 April 2024

Chairman of the BoD	Chief Executive Officer	Head Accountant
Anastasia Verra	Epameinondas Paschalidis	Konstantinos Motsakos

Deloitte.

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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.