

NEUROSOFT

Board of Directors of Neurosoft S.A. approves 2023 Annual Financial Statements

- Consolidated Revenues in 2023 amounted to € 27,27 million (€ 23,01 million in 2022)
- Gross Profit in 2023 amounted to € 5,87 million (€ 5,29 million in 2022)
- EBITDA in 2023 amounted to € 3,17 million (€ 2,89 million in 2022)
- EBIT in 2023 amounted to € 1,69 million (€ 1,58 million in 2022)
- Net Profit in 2023 amounted to € 1,28 million (€ 1,28 million in 2022)
- Net Debt in 2023 amounted to € 1,68 million (€ (2,88) million in 2022)
- Equity in 2023 amounted to € 6,64 million (€ 5.34 million in 2022)

Iraklio, Attica, April 19, 2024 - The Board of Directors of **Neurosoft S.A.**, a fully integrated ICT Company, traded on Milan's Euronext Growth Italia market ([GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), has **Banca Investis S.p.A.** as its Euronext Growth Advisor, met today and approved Neurosoft's Consolidated Annual Audited Financial Statements (including the results for its subsidiaries, Neurosoft Cyprus Ltd and Neurosoft Romania Srl) for the year ended December 31st, 2023.

"In the fiscal year 2023 Neurosoft is coming to the end of its 30 years of operation, achieving our highest sales turnover to date. This success is a testament to our unwavering commitment to continuous growth and development.

We've embraced the challenge of taking on large, complex projects. This strategic move required significant investments but allowed us to expand our portfolio and reach new markets. We're proud to have secured the trust of high-profile clients like PPC, SNFCC, HEDNO, and the Public Sector, who have entrusted us with critical digital transformation projects. As a leading Managed Services Provider (MSP), we're confident in our ability to provide end-to-end premium and integrated services. The success of these recent projects is a clear demonstration that we deliver high-quality services that exceed expectations, and we are excited for what the future holds.

We remain committed to adapting and innovating our services to meet our customers' holistic needs and business goals. Our aim is to increase efficiency and security, support business resilience and continuity. We achieve this through our second biggest investment, our people, who are the driving force behind our core values of innovation and evolution.

stated Epameinondas Paschalidis, Chief Executive Officer of Neurosoft S.A.

2023 Neurosoft Group Consolidated Performance

The FY 2023 ended with consolidated revenues equal to € 27,27 million (+19%) continuing last year's upturn. Amidst the rapidly evolving landscape of modern business, digitalization stands as a beacon of high opportunity for Managed

Services Providers (MSPs) like Neurosoft, that specializes in offering end-to-end premium integrated services as evidenced by this year's record-high performance levels.

2023 EBITDA (€ 3,17 million in 2022, +10% y-o-y increase) underscores our unwavering commitment to excellence, prudent financial management and relentless pursuit of operational efficiency. Neurosoft remains steadfast in the pursuit of sustainable growth and looks forward to delivering continued value to the stakeholders.

2023 EBIT stands at € 1,69 million (€ 1,58 million in 2022, 7% y-o-y increase) and, as a result, 2023 Net Profit is equal to € 1,28 million (€ 1,28 million in 2022).

2023 Equity is equal to € 6,64 million (€ 5,34 million in 2022) with a 2023 Net Debt that amounts to € 1,68 million versus Net Debt of € (2,88) million in 2022, primarily attributed to the heightened lease liability resulting from the rent renewal of our Headquarter building.

Additionally, as of December 31, 2023 the Company has positive working capital of €5,41 million, as well as, sufficient undrawn borrowing facilities that can be utilized if needed.

Net Profit Allocation:

Neurosoft S.A. notifies that the Board of Directors resolved to propose to the Shareholders' Meeting the allocation of the Company's FY 2023 net profit, equal to Euro 1.28 million, entirely to retained earnings reserve and approved and validated the non-distribution of any dividends from the results of financial year 2023.

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 strengthen 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.

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.

Important related party transactions

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

During the 2023, the related party transactions referring to provision of Neurosoft services in the normal course of business, were equal to 10.51 million euro. The Company has adopted the rules provided by the applicable legislation and Euronext Growth Milan rules. In particular, these transactions took place at arm's length (market conditions basis), within the case of exclusion pursuant to art. 2, lett. e) of Neurosoft Procedure for Transaction with Related Parties and in compliance with art. 7, lett. c) of Euronext Growth Milan Provisions on Related Party Transactions.

General Outlook of Business Development

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

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

Cyber Security Operations Business Unit - 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 Cyber Defense Services 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 defense 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. 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 Cyber Offensive Services domain, the Red Teaming and Penetration Testing services have reached a new high in terms of maturity and quality of delivery making under the Hackcraft brand offering services both in Greece and Cyprus.

In the Compliance & Risk Services 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.

Field Services Operations Business Unit - Update on the solutions and services

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 services 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.

Infrastructure & Cloud Operations Business Unit - Update on the solutions and services

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 tests 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.

Auditor's opinion

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

It is specified that Neurosoft Separate and Consolidated Annual Financial Reports (including the results for its subsidiaries, (Neurosoft Cyprus Ltd and Neurosoft Romania S.r.l.) of Neurosoft S.A. on December 31st, 2023 will be available to the public in compliance with the terms and conditions required by the law, on the company's website www.neurosoft.gr.

Neurosoft S.A., a Greek company listed on the Euronext Growth Milan market, organized and managed by the Italian Stock Exchange (ISIN GRS802003004, Reuters NRST.MI, Bloomberg NRST:IM), was founded in 1994 with the vision to provide superior products, innovative solutions and exclusive services to its international clients. Neurosoft is a fully integrated ICT company with Field Services, Systems Integration and Cyber Security capabilities. The staff headcount exceeds 300+ highly skilled employees with deep experience in their field. The company is based in Athens with presence in Cyprus.

Business areas covered by Neurosoft: **Cyber Security Operations:** Provision of high-end Cyber Security solutions and services and development of innovative security products. In a world of viruses, malwares, and hacktivists, Neurosoft has compiled a suite of practical and technologically advanced tools and methods to significantly enhance the protection of your mission-critical data. **Infrastructure & Cloud Operations:** Design, implementation, operation and support of large-scale ICT infrastructure solutions for Operators of Critical Networks and Critical National Infrastructure Stakeholders. Our vast experience in complex projects makes Neurosoft the ideal partner for any ICT infrastructure requirement. **Field Services Operations:** Neurosoft offers high-quality, on-site logistic and warehousing services with 200+ field service technicians, offering 40+ service points in Greece and Cyprus.

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

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

Press release available on www.neurosoft.gr

For further information please contact:

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STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
ASSETS				
Non-current assets				
Property, plant & equipment	438,980	359,464	438,980	359,464
Right-of-use assets	2,227,319	599,053	2,227,319	599,053
Intangible assets	444,474	705,406	444,474	705,406
Investments in subsidiaries	-	-	249,508	422,930
Other non - current assets	93,301	91,476	93,301	91,476
	3,204,074	1,755,399	3,453,582	2,178,329
Current assets				
Inventories	732,763	796,441	732,763	796,441
Trade receivables	14,372,417	6,651,399	14,367,137	6,647,479
Other current assets	1,145,870	724,148	1,143,349	693,003
Cash and cash equivalents	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	3,965,612	3,965,612	3,965,612	3,965,612
Share premium	600,000	600,000	600,000	600,000
Reserves	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	114,527	206,149	114,527	206,149
Lease liabilities	1,729,240	272,609	1,729,240	272,609
Deferred tax liabilities	62,186	104,418	62,186	104,418
Employee benefit plans	64,702	66,383	64,702	66,383
	1,970,655	649,559	1,970,655	649,558
Current liabilities				
Trade payables	7,895,446	4,151,089	7,895,446	4,154,309
Borrowings	91,621	91,621	91,621	91,621
Lease liabilities	514,079	357,521	514,079	357,521
Income tax liabilities	434,482	305,944	434,482	305,944
Other tax liabilities	1,157,663	1,389,694	1,159,083	1,391,230
Other current liabilities	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

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	GROUP		COMPANY	
	01.01.2023	01.01.2022	01.01.2023	01.01.2022
	-	-	-	-
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Revenue	27,274,006	23,012,051	27,177,219	22,921,916
Cost of sales	(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	(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)
Other income	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	-	-	(173,422)	-
Operating Profit	1,768,756	1,668,400	1,597,127	1,755,338
Finance income	25	51	25	51
Finance expenses	(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	(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	25,799	2,395	25,799	2,395
Related tax	(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)	0.0500	0.0499	0.0434	0.0533

STATEMENT OF CHANGES IN EQUITY

GROUP

	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	-	-	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	-	-	55,499	(55,499)	-
31 December 2023	3,965,612	600,000	501,331	1,576,416	6,643,360

COMPANY

	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	-	-	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

CASH FLOW STATEMENT

	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	1,404,241	1,218,737	1,404,241	1,218,737
Impairment loss on investments in subsidiaries	-	-	173,422	-
Provisions for doubtful debts	-	89,178	-	89,178
Employee benefit plans	46,334	39,778	46,334	39,778
Net finance expenses	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	(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	(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	3,808,313	1,676,697	3,749,981	1,647,393
Cash and cash equivalents at the end of the year	768,160	3,808,313	742,014	3,749,981