

# NEUROSOF

## ANNUAL FINANCIAL REPORT

For the year  
ended 31 December 2024

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**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 2024 to 31 December 2024, 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, 28 March 2025

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 2024 to 31 December 2024

This Annual Report of the Board of Directors (hereinafter referred to as the "**Report**"), refers to the fiscal year 2024 (01.01.2024-31.12.2024). 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 2024**

The significant events that occurred during the year 2024 (01.01.2024-31.12.2024), as well as any impact on the annual financial statements are summarized as follows:

#### **Independent Power Transmission Operator (IPTO)**

In April 2024, the Independent Power Transmission Operator (ADMIE) awarded the Union "Neurosoft - Performance Technologies" with a 5 year contract for the supply of infrastructure equipment and modernization of the existing infrastructure equipment for the organization's data center as well as the implementation of a disaster recovery site. The project included the supply of high-end ICT equipment from servers and storage systems to software defined Data Center grade networking equipment design, implementation and optimization services, as well as support and maintenance services.

The contract duration is for 5 years and the total contract value exceeds 9M€ (with a contract option right to be increased by 4.6M€)

**FOURLIS Group of Companies**

Neurosoft has won the SOCaaS [incl Threat Intelligence] contract for the FOURLIS Group of Companies starting from 01/01/2025. This has been based on excessive work performed during Q4'2024 which included a holistic redesign of the security and cybersecurity blueprint of the entire organization. A high-stakes, end-to-end (E2E) cybersecurity defense project that enhances both experience and credibility, particularly in relation to your flagship Neutrify service.

**Kaizen Gaming**

Neurosoft has won a 3 year contract starting 05.12.2024 for the provision of an Observability Solution based on IBM's Instana Tool. This tool provides the ability to Kaizen Gaming for both Applications and Network Performance Monitoring, leading the way to a more IT Automated Infrastructure.

**HelleniQ**

HelleniQ had initiated a redesign project for the modernization of their core network infrastructure; the project has been won by Cosmote. Neurosoft has been selected as the main subcontractor for Cosmote responsible for the SD WAN design, implementation and optimization based on the vast experience in similar projects under the EnterpriseLink brand.

**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 Cyber Defense Services (CDS) segment, Neutrify, our brand for Security Operations Centre (SOC) services, has been uplifted integrating new tools and services like Security Orchestration, Automation and Response (SOAR), Managed Detection and Response (based on gartner leading solutions like Microsoft, Palo Alto and BitDefender) and OT Monitoring Services. Moreover, the CDS offering has been further developed to cover Incident Response and Forensics Services, Threat Intelligence as a stand-alone service and SOC Consulting Services (architecture, design and implementation).

In the Hackcraft (HCK) segment, the Security Testing offering has been further developed to cover Penetration Testing and Vulnerability Management as a Service. On the other hand, the Red Teaming offering has incorporated services like password cracking, ransomware simulation, assume breach and workstation defense evaluation, strengthening the overall offering for your customers.

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.

In the Cybersecurity Technology Advisory domain a complete list of services has been designed covering most of our customers' needs: security by design, security maturity assessment, secure configuration audit, OT Security assessment, cyber security engineer and ransomware readiness assessment. Moreover, Security Solutions like IAM, PAM, email security, DLP, WAF have also been incorporated.

#### FSO Business Unit

Building on the momentum of 2023, Neurosoft entered 2024 with a renewed commitment to innovation, efficiency, and digital transformation. As businesses continue to accelerate their digital strategies, we remain at the forefront, providing cutting-edge solutions that enable seamless transitions and sustainable growth.

In the realm of rollout visits, we anticipate a further increase in demand as organizations continue to modernize their infrastructures. Our focus will be on enhancing operational agility, ensuring that clients maximize the benefits of digitalization with minimal disruption.

Meanwhile, in the Fiber to the Home (FTTH) sector, 2024 will be a year of expansion and optimization. With ultra-fast broadband now a necessity rather than a luxury, we are strengthening our strategic partnerships and investing in next-generation technologies to further accelerate deployment and accessibility.

As we step into this new chapter, our mission remains clear: to empower businesses and communities through transformative technology. Neurosoft is poised to embrace the challenges and opportunities that lie ahead, reaffirming its role as a trusted partner in an increasingly digital world.

#### ICO Business Unit

In the Network Security Solutions domain, the Network Projects offering has been strengthened by incorporating advanced services including firewalling supporting major vendors (Fortinet & Palo Alto Networks), Secure Service Edge, Secure Access Service Edge (SASE), Zero Trust Network Access (ZTNA), complementing the vast experience in SD WAN and Secure SD WAN connectivity projects that has been gained in the previous years, through our Enterprise Link (EL) offering. Actually our branded product EL has been further improved in terms of service offering, providing even more value to our existing and prospect customers.

In addition, we have entered in advanced networking projects and services (FTTO solution, Data Center Automation), further developing and expanding our strategic cooperation with market leaders like Cisco Systems.

Our Network Operations offering line has been further improved by incorporating new tools and methodologies, providing a more comprehensive service to our customers.

Moving to the IT Solutions Domain, focus has been put on further developing our Cloud Infrastructure Services as well as Storage and Back up solutions, while incorporating industry leading solutions for ITOC services (Observability and IT automation).

### 3. Quality Assurance

In view of Services and Operations standardisation, Neurosoft is certified under ISO9001, ISO27001, ISO 45001, ISO 20001, ISO 22301 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 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 2024, 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 €1,603 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 parties with good reputation 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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Long-term borrowings	-	114,527	-	114,527
Short-term borrowings	114,527	91,621	114,527	91,621
Long-term lease liabilities	2,093,865	1,729,240	2,093,865	1,729,240
Short-term lease liabilities	669,301	514,079	669,301	514,079
Cash and cash equivalents	(923,714)	(768,160)	(867,809)	(742,014)
<b>Net debt</b>	<b>1,953,979</b>	<b>1,681,308</b>	<b>2,009,884</b>	<b>1,707,454</b>
<b>Total equity</b>	<b>8,320,567</b>	<b>6,643,360</b>	<b>8,488,460</b>	<b>6,849,825</b>
<b>Net debt to equity</b>	<b>0.23</b>	<b>0.25</b>	<b>0.24</b>	<b>0.25</b>

#### 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 efforts to contribute to the mitigation of such issues, 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 2024 the Greek economy continued recording solid GDP growth, above euro area, on the back of high investment levels, further reduction in unemployment and solid private consumption. The economy is projected to maintain its growth momentum in 2025 supported by European funds, prudent fiscal policy, strong private consumption and a thriving tourism sector, while at the same time the forecasted reduction of debt levels alongside primary surpluses that are estimated to exceed 2% of GDP are expected to improve Greece's creditworthiness and positively impact confidence in the economy. On the other hand, existing geopolitical risks arising from conflicts in Ukraine and Middle East and the uncertainty surrounding global trade policies could weigh negatively on euro area projected growth. An early resolution of geopolitical conflicts and an improvement of global trade conditions could, however, improve economic sentiment and the outlook for the year. Furthermore, inflation in Greece is expected to gradually decline throughout the year despite still existing pressures from energy and housing that negatively affect consumer confidence. Notwithstanding, the anticipated deceleration of euro area inflation is possible to allow further interest rate reductions by the European Central Bank in order to boost sluggish economic 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	
01.01.2024	01.01.2023	01.01.2024	01.01.2023
-	-	-	-
31.12.2024	31.12.2023	31.12.2024	31.12.2023

**Sales of services**

OPAP S.A.	13,450,600	10,419,277	13,450,600	10,419,277
OPAP Sports LTD	29,714	19,708	-	-
OPAP Cyprus LTD	125,013	73,785	-	-
	<u>13,605,327</u>	<u>10,512,769</u>	<u>13,450,600</u>	<u>10,419,277</u>

**Purchase of services**

Metasan S.A.	-	62,605	-	62,605
	<u>-</u>	<u>62,605</u>	<u>-</u>	<u>62,605</u>

GROUP		COMPANY	
01.01.2024	01.01.2023	01.01.2024	01.01.2023
-	-	-	-
31.12.2024	31.12.2023	31.12.2024	31.12.2023

**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 2024 amounted to €1,267,220 (2023: €1,129,283).

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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
<b>Trade receivables from related parties</b>				
OPAP S.A.	2,654,605	2,221,224	2,654,605	2,221,224
OPAP Cyprus LTD	5,124	5,000	-	-
OPAP Sports LTD	1,580	280	-	-
	<u>2,661,309</u>	<u>2,226,504</u>	<u>2,654,605</u>	<u>2,221,224</u>
<b>Other receivables from related parties</b>				
- Loans granted to related parties				
Neurosoft Cyprus Ltd	-	-	125,230	125,230
	<u>-</u>	<u>-</u>	<u>125,230</u>	<u>125,230</u>
<b>Other receivables from related parties</b>				
Neurosoft Cyprus Ltd	-	-	45,027	45,027
	<u>-</u>	<u>-</u>	<u>45,027</u>	<u>45,027</u>

Provision for impairment			(170,257)	(170,257)
<b>Total other receivables from related parties</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Contract assets from related parties</b>				
OPAP S.A.	449,300	141,507	449,300	141,507
	<b>449,300</b>	<b>141,507</b>	<b>449,300</b>	<b>141,507</b>

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
<b>Trade payables to related parties</b>				
OPAP S.A.	8,436	5,333	8,436	5,333
	<b>8,436</b>	<b>5,333</b>	<b>8,436</b>	<b>5,333</b>

## SECTION D

**Explanatory report on the information, which is prepared in accordance with article 4, paragraph 7 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:

- a) 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 , organized and managed by the Italian Stock Exchange.
- b) The transfer of the Company's shares is not subject to any restrictions under the law or the Articles of Association, or any other agreement. However, upon transfer of shares, the acquiring or disposing shareholders are subject to the following obligations:

Where the number of voting rights held by any shareholder who acquires or sells shares with voting rights, due to such acquisition or sale, reaches, exceeds or drops below 3% of voting rights in the Company, that shareholder shall be obliged to inform the Company within four (4) working days of the percentage of voting rights he holds as a result of such acquisition or sale. The obligation in this paragraph shall also be incumbent upon any person who becomes a shareholder for the first time where, as a result of acquisition, their holding reaches or exceeds the relevant threshold.

Any shareholder who holds more than 3% of the voting rights shall also be obliged to provide the information required in the previous paragraph, when there is a change in the voting rights held equal

to or greater than 1% of all voting rights in the Company. Any change in the number of voting rights after providing the initial information requires a new update.

- c) The shareholders of the company holding directly or indirectly on 31.12.2024 significant percentage of shares with the respective voting rights, are listed below:

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%
<b>Total</b>	<b>25,584,594</b>	<b>100.00%</b>

- d) There are no other classes of shares offering to the shareholders special auditing rights in the Company.
- e) The Articles of Association do not provide for any restrictions to the shareholders' voting rights.
- f) The Company is not aware of any agreements among its shareholders that impose restrictions on the transfer of shares or the exercise of voting rights .
- g) The provisions of the Articles of Association regarding the appointment and replacement of Board members and the amendment of provisions of the Articles of Association do not deviate from the provisions of Law 4548/2018 as was in force during 2024
- h) Currently, no special responsibility of the Board of Directors of specific members thereof exists in relation to the issuance of new shares or share buy-back programme.
- i) There are no agreements that will be activated, modified or terminated in case of change of Company control following a public offering.

The Company has not established any agreements with its Board of Directors or personnel for compensation in the event of forced resignation, unfair dismissal, or termination of services or employment due to a public offer for the acquisition of its shares.

## SECTION E

### Information on labor and environmental issues

#### LABOR ISSUES

1. The Group as of 31.12.2024 and 31.12.2023 employed 325 and 295 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 2024

The key financial figures of the Group are as follows:

	<u>31.12.2024</u>	<u>31.12.2023</u>
Revenue	37,905,304	27,274,006
Gross profit	8,387,803	5,869,221
Net profit	1,684,898	1,280,253
EBITDA	4,108,841	3,172,997
Adjusted EBITDA (excl. IFRS 16 impact)	3,377,016	2,666,894
Working Capital	6,566,401	5,409,942

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.

	<u>31.12.2024</u>	<u>31.12.2023</u>
Gross profit margin	22.13%	21.52%
Net profit margin	4.45%	4.69%
EBITDA / Revenue	10.84%	11.63%
Current ratio	1.50	1.47
Debt / Equity	1.85	2.04
Equity / Total assets	35.08%	32.85%
Revenue / Total assets	1.60	1.35

### **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 2025**

In fiscal year 2024 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 2025 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 2024.

## **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 2024. 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 is drafted according to the provisions of Law 4548/2018, as was in force during 2024, where applicable for the Company, and the respective Corporate Governance Code of the Company and the rules of Euronext Growth Milan, Italy. 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. Description of the internal control and risk management system(s) regarding the preparation process of financial statements.
- D. Information provided for in (c), (d), (e), (g), (h) of paragraph 1 of Article 4 of Law 3556/2007
- E. Board of Directors and Committees
- F. General Meeting and Shareholders' Rights

#### **A. Statement of compliance with the Corporate Governance Code**

Law 4706/2020 has incorporated in Greek law and legal order the European Union Directive EE 2017/828 and EE Regulation 2017/1131 and basically enacts the adoption of the Corporate Governance Code by listed



companies. The Company voluntarily complies with certain provisions of the above legislation and fully complies with the respective applicable rules of Euronext Growth Milan Market in terms of corporate governance matters.

The Company has drafted and adopted its own Corporate Governance Code ( the “Code”) which has been approved by adoption of resolution of the Company’s Board of Directors on 11/01/2023. The Code, on top of its legal obligations, reflects certain provisions of Greek Law 4706/2020 on corporate governance as well as special practices incorporated in the 2021 Corporate Governance Code (“HCGC”). The Code is available on the legally registered Company’s website [www.neurosoft.gr](http://www.neurosoft.gr).

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

For the establishment of the 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 HCGC and the rules of Euronext Growth Milan to this respect.

#### **B. Divergence from the Code and justification of those divergences**

The Company fully complies with its own Code.

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

The internal control system consists of all those functions established by the Company in order to ensure its assets, 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 are being reviewed and are in accordance with the Company's operating regulations, the Articles of Association and the relevant legislation and rules.
- 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 control 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.

**D. Information provided for in (c), (d), (e), (g), (h) of paragraph 1 of Article 4 of Law 3556/2007 are included under Section D of the present report.**

## **E. Board of Directors and Committees**

### **1. Board of Directors**

The Board of Directors consists of five (5) to nine (9) members. The General Meeting has the competence to determine the number of members of the Board of Directors, within the limits set out in the Articles of Association. A legal entity may also be member of the Board of Directors. The members of the Board of Directors may be identified as executive, non-executive and independent. At least three (3) of the members are non-executive and at least one is independent member. The executive BoD members are involved in the Company's daily management and operation and are responsible for implementing the strategy defined by the BoD. The non-executive BoD members supervise the proper operation of the Company and the implementation of its strategy, monitor and assess the performance of the executive BoD members and safeguard the accuracy of the information provided to the Company's shareholders. Among the non-executive members, the independent non-executive members may chair the Audit Committee. The Board members are elected by the General Meeting of Shareholders to serve for five (5) years. The term of office of the Board of Directors commences on the day following the General Meeting, ends on the corresponding date of the year in which the term of office expires and is automatically extended until the Annual General Meeting following the end of their term of office, however without exceeding six years.

If a position of a member of the Board of Directors becomes vacant due to death, resignation or for any other reason, then the remaining members, provided that they are at least three (3), must elect a provisional substitute member for the remaining term of office of the member being replaced. This election is published and announced to the following Ordinary or Extraordinary General Meeting of Company's Shareholders. The General Meeting may replace the provisional substitute member, however the actions of the provisional substitute member elected by the Board of Directors are valid even if the General Meeting refuses to validate his/her election and elects another definitive member. The current Board of Directors 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 31/12/2024:**

<b>Board of Directors Member</b>	<b>Position</b>
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:**

Five members of the Board have Greek citizenship, while Mr. Martin Chladek and Mr. Kamil Ziegler 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 members of the Board of Directors, while also determining the extent of this assignment.

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 Chair of the Board of Directors presides at the meetings. When the Chair is absent or unable to perform his duties, he is substituted in his full responsibilities by the Vice-chair and the latter by the Chief Executive Officer. Similarly, the Chief Executive Officer is substituted by other Board member appointed by the Board of Directors. The Board of Directors may elect its Secretary, who may or may not be a Director.

#### **Role of the Chairman of the Board of Directors**

The Chair of the Board is a non-executive member, presides over the Board of Directors and is responsible for the effective conduct of its meetings . The Chair 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, ensuring the proper execution of tasks regarding the organization of the Board and is 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. The CEO 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
- monitoring 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 on matters of the Company. The CEO is responsible for the coordination of individual departments of the Company I

### **Decision Making**

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

Resolutions of the Board shall be taken by an absolute majority of the directors who are present and represented except if otherwise provided for in the Articles of Association or the law.

### **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 Chair of the Board, by invitation notified to the members of the Board at least (2) two business days prior to the meeting. If the Board meets outside the corporate seat, the invitation must be given at least five (5) business days in advance. 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 2024, seven (7) Board meetings (either with physical presence or digital participation) and six (6) written resolutions (without meeting) 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**

### **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 shareholders 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 of the Articles of Association;
- (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.

### **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 no later than the 10th day of the 9th month following the ending of the Company's fiscal year. The Company additionally follows 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 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.

#### **Representation of Shareholders in the General Meeting**

Shareholders entitled to attend the General Meeting may be represented therein and vote by a legally authorized person. Notification of the appointment and revocation of a shareholder's representative is made in writing or by fax or email.

#### **Chairman of the General Meeting**

The Chair of the Board of Directors or, when the Chair is unable to perform the duties, the Cice-Chair or, when the Vice-Chair 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 Chair and one Secretary, who count the votes as well. The aforementioned persons are elected by roll call unless otherwise decided by the General Meeting. The Chair of the General Meeting must be a shareholder or a shareholder's proxy. The Secretary may not be a shareholder.

#### **Obligations arising from the provisions of Law 4548/2018 and the Euronext Growth rules**

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 invitation of the Shareholders General meeting is also published twenty (20) days prior to the meeting in an Italian newspaper and to Euronext Growth Milan.

A summary of the resolutions 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. In addition, a respective press release is uploaded to the Euronext Growth Milan platform.

The Chair of the Board of Directors, the Chief Executive Officer or the General Manager where applicable, the chair of the Audit Committee of the Board, as well as the internal 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 Chair of the General Meeting shall provide the shareholders with the essential time for this purpose.

#### **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.

#### **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 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 ended 31/12/2024. 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 2024 are set out below.

The Audit Committee is comprised of one independent, non-executive Board Member and two non-executive Board Members, as follows:

1. Themistoklis Polyzos - Chairman, Independent Non-Executive Board Member
2. Anastasia Verra - Member, Non-Executive Board Member
3. Martin Chladek - Member, Non-Executive Board 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 and currently in force. All members have business acumen and financial / accounting experience.

The Committee met seven (7) times in 2024, while one per rotation resolution was unanimously approved by exchange of emails, as per the provisions of par. 3.3(V) of the Audit Committee Charter. Before every AC meeting an agenda is prepared including all items for discussion. The agenda is communicated to each member at least two working days before the meeting.

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 01.01.2024 to 31.12.2024.

The areas covered and the main items discussed during the AC meetings held within 2024 are summarized below:

**Financial Statements/Financial Reporting**

1. Reviewed the annual Separate and Consolidated Financial Statements for the year ended 31 December 2023 and further recommended their approval by the Board of Directors;
2. Reviewed the unaudited interim financial report (Consolidated and Separate) for the six-month period ended June 30, 2024 (January 1 - June 30, 2024) and further recommended its approval by the Board of Directors;

**External Audit**

1. Reviewed, discussed and approved PwC's audit planning/strategy for the year ended 31.12.2024, including PwC's independence and quality control procedures and their readiness to respond to regulatory framework changes;
2. Met with PwC without management being present to discuss any matters related to the performance and results of the audit including PwC's review of internal control as part of their audit procedures and any significant findings and recommendations, together with management's responses;

**Internal Audit**

1. Approved the FY 2024 Internal Audit Risk Based Plan and its subsequent amendments;
2. Monitored the replacement process of the resigned Internal Auditor and recommended to the Board of Directors the appointment and the remuneration of the new Internal Auditor of the Company;
3. Reviewed the IA activity quarterly reports for 2024;
4. Reviewed the list of outstanding findings identified by the Internal Audit, informed the Board of Directors accordingly and recommended corrective actions;
5. Reported to the Board of Directors all-important matters' pertaining to the Company's System of Internal Controls;

**Audit Committee matters**

Approved the Audit Committee Activity Report for the year ended 31.12.2024

This Corporate Governance Statement 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**

Anastasia Verra

**Chief Executive Officer**

Epameinondas Paschalidis

## **INDEPENDENT AUDITOR'S REPORT**



## **Independent auditor's report**

To the Shareholders of NEUROSOFT SOFTWARE PRODUCTION S.A.

### **Report on the audit of the separate and consolidated financial statements**

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#### **Our opinion**

We have audited the separate and consolidated financial statements of NEUROSOFT SOFTWARE PRODUCTION S.A. (Company or/and Group) which comprise the separate and consolidated statement of financial position (or balance sheet) as of 31 December 2024, the separate and consolidated statements of profit or loss and other comprehensive income (or profit or loss, 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 December 31, 2024, 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**

We are independent of the Company and the Group in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Boards of 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 ethical responsibilities in accordance with the requirements of the IESBA Code and the Law 4449/2017.

#### **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, which is expected to be made available to us after 28.03.2025.

Our opinion on the separate and consolidated financial statements does not cover the other information including the Board of Directors' Report.

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.

We considered whether the Board of Directors' Report includes the disclosures required by Law 4548/2018.

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

- The information given in the Board of Directors' Report for the year ended at 31 December, 2024 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<sup>1</sup> in the Board of Directors' Report. We have nothing to report in this respect.

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### **Responsibilities of Board of Directors 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.

The Board of Directors is responsible for overseeing the Company's and Group's financial reporting process.

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### **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
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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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors 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.

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#### **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.

Despoina Marinou

SOEL Reg. No 17681

Athens,

March 28, 2025



PricewaterhouseCoopers S.A.  
65 Kifissias Avenue  
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SOEL Reg. No. 113



**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 2024**

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**STATEMENT OF FINANCIAL POSITION**

		GROUP		COMPANY	
	Note	31.12.2024	31.12.2023	31.12.2024	31.12.2023
ASSETS					
Non-current assets					
Property, plant & equipment	6	653,500	438,980	653,500	438,980
Right-of-use assets	7	2,705,816	2,227,319	2,705,816	2,227,319
Intangible assets	8	506,167	444,474	506,167	444,474
Investments in subsidiaries	9	-	-	249,508	249,508
Other non - current assets	10	130,881	93,301	130,881	93,301
		3,996,364	3,204,074	4,245,872	3,453,582
Current assets					
Inventories	11	680,666	732,763	680,666	732,763
Trade receivables	12	16,482,744	14,372,417	16,476,039	14,367,137
Contract assets	22	971,477	417,694	971,477	417,694
Other current assets	13	661,330	728,176	661,183	725,654
Cash and cash equivalents	14	923,714	768,160	867,809	742,014
		19,719,931	17,019,210	19,657,174	16,985,263
Total assets		23,716,295	20,223,284	23,903,046	20,438,845
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	583,647	501,331	583,647	501,331
Retained earnings	-	3,171,308	1,576,416	3,339,201	1,782,882
Total equity		8,320,567	6,643,360	8,488,460	6,849,825
LIABILITIES					
Non-current liabilities					
Borrowings	17	-	114,527	-	114,527
Lease liabilities	7	2,093,865	1,729,240	2,093,865	1,729,240
Deferred tax liabilities	18	45,387	62,186	45,387	62,186
Employee benefit plans	19	102,946	64,702	102,946	64,702
		2,242,198	1,970,655	2,242,198	1,970,655
Current liabilities					
Trade payables	20	8,104,418	7,895,446	8,104,418	7,895,446
Borrowings	17	114,527	91,621	114,527	91,621
Lease liabilities	7	669,301	514,079	669,301	514,079
Income tax liabilities	-	385,584	434,482	385,584	434,482
Other tax liabilities	21	1,700,465	1,157,663	1,708,113	1,159,083
Contract liabilities	22	157,645	356,250	157,645	356,250
Other current liabilities	23	2,021,590	1,159,728	2,032,800	1,167,403
		13,153,530	11,609,269	13,172,388	11,618,365
Total liabilities		15,395,728	13,579,924	15,414,586	13,589,020
Total equity and liabilities		23,716,295	20,223,284	23,903,046	20,438,845

The notes on pages 41 to 82 form an integral part of these financial statements.

**STATEMENT OF TOTAL COMPREHENSIVE INCOME**

		<b>GROUP</b>		<b>COMPANY</b>	
		<b>01.01.2024</b>	<b>01.01.2023</b>	<b>01.01.2024</b>	<b>01.01.2023</b>
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Note</b>	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Revenue	5	37,905,304	27,274,006	37,742,734	27,177,219
Cost of sales	24	(29,517,501)	(21,404,785)	(29,423,610)	(21,341,914)
<b>Gross profit</b>		<b>8,387,803</b>	<b>5,869,221</b>	<b>8,319,124</b>	<b>5,835,305</b>
Distribution expenses	24	(2,076,662)	(1,463,491)	(2,066,907)	(1,456,959)
Administrative expenses	24	(3,884,623)	(2,744,046)	(3,866,332)	(2,731,798)
Other income	25	21,694	258,984	21,694	258,984
Other gains/(losses) - net	-	(41,787)	(151,912)	(40,487)	(134,983)
Impairment loss on investments in subsidiaries	9	-	-	-	(173,422)
<b>Operating Profit</b>		<b>2,406,424</b>	<b>1,768,756</b>	<b>2,367,092</b>	<b>1,597,127</b>
Finance income	26	42	25	42	25
Finance expenses	26	(159,015)	(76,713)	(158,254)	(75,364)
<b>Profit before income tax</b>		<b>2,247,451</b>	<b>1,692,068</b>	<b>2,208,880</b>	<b>1,521,788</b>
Income tax	28	(562,553)	(411,815)	(562,553)	(411,815)
<b>Profit after tax</b>		<b>1,684,898</b>	<b>1,280,253</b>	<b>1,646,327</b>	<b>1,109,973</b>
<b>Other comprehensive income</b>					
<b>Items that will not be reclassified to profit or loss:</b>					
Actuarial (losses)/gains	19	(9,861)	25,799	(9,861)	25,799
Related tax	28	2,169	(5,676)	2,169	(5,676)
<b>Total items that will not be reclassified to profit or loss</b>		<b>(7,691)</b>	<b>20,123</b>	<b>(7,691)</b>	<b>20,123</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>(7,691)</b>	<b>20,123</b>	<b>(7,691)</b>	<b>20,123</b>
<b>Total comprehensive income</b>		<b>1,677,207</b>	<b>1,300,376</b>	<b>1,638,635</b>	<b>1,130,096</b>
<b>Profit for the year attributable to:</b>					
Equity holders of the parent		1,684,898	1,280,253	-	-
Non-controlling interests		-	-	-	-
		<b>1,684,898</b>	<b>1,280,253</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to:</b>					
Equity holders of the parent		1,677,207	1,300,376	-	-
Non-controlling interests		-	-	-	-
		<b>1,677,207</b>	<b>1,300,376</b>	<b>-</b>	<b>-</b>
<b>Profit per share (basic and diluted)</b>	29	<b>0.0656</b>	<b>0.0500</b>	<b>-</b>	<b>-</b>

The notes on pages 41 to 82 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 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
<b>Total comprehensive income for the year (net of tax)</b>		-	-	-	<b>1,300,376</b>	<b>1,300,376</b>
Legal reserve	16	-	-	55,499	(55,499)	-
<b>31 December 2023</b>		<b>3,965,612</b>	<b>600,000</b>	<b>501,331</b>	<b>1,576,416</b>	<b>6,643,360</b>
1 January 2024		3,965,612	600,000	501,331	1,576,416	6,643,360
Net profit for the year		-	-	-	1,684,898	1,684,898
Other comprehensive income		-	-	-	(7,691)	(7,691)
<b>Total comprehensive income for the year (net of tax)</b>		-	-	-	<b>1,677,207</b>	<b>1,677,207</b>
Legal reserve	16	-	-	82,316	(82,316)	-
<b>31 December 2024</b>		<b>3,965,612</b>	<b>600,000</b>	<b>583,647</b>	<b>3,171,308</b>	<b>8,320,567</b>

The notes on pages 41 to 82 form an integral part of these financial statements.

**COMPANY**

	Note	Share capital	Share premium	Reserves	Retained earnings	Total
<b>1 January 2023</b>		<b>3,965,612</b>	<b>600,000</b>	<b>445,832</b>	<b>708,286</b>	<b>5,719,730</b>
Net profit for the year		-	-	-	1,109,973	1,109,973
Other comprehensive income		-	-	-	20,123	20,123
<b>Total comprehensive income for the year (net of tax)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,130,096</b>	<b>1,130,096</b>
Legal reserve	16	-	-	55,499	(55,499)	-
<b>31 December 2023</b>		<b>3,965,612</b>	<b>600,000</b>	<b>501,331</b>	<b>1,782,882</b>	<b>6,849,825</b>
<b>1 January 2024</b>		<b>3,965,612</b>	<b>600,000</b>	<b>501,331</b>	<b>1,782,882</b>	<b>6,849,825</b>
Net profit for the year		-	-	-	1,646,327	1,646,327
Other comprehensive income		-	-	-	(7,691)	(7,691)
<b>Total comprehensive income for the year (net of tax)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,638,635</b>	<b>1,638,635</b>
Legal reserve	16	-	-	82,316	(82,316)	-
<b>31 December 2024</b>		<b>3,965,612</b>	<b>600,000</b>	<b>583,647</b>	<b>3,339,201</b>	<b>8,488,460</b>

The notes on pages 41 to 82 form an integral part of these financial statements.

**CASH FLOW STATEMENT**

	Note	GROUP		COMPANY	
		01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>Profit before tax</b>		<b>2,247,451</b>	<b>1,692,068</b>	<b>2,208,880</b>	<b>1,521,788</b>
<b>Adjustments for:</b>					
Depreciation and amortization	6,7,8	1,702,416	1,404,241	1,702,416	1,404,241
Impairment loss on investments in subsidiaries	9	-	-	-	173,422
Provisions for doubtful debts	12	4,863	-	4,863	-
Employee benefit plans		65,494	46,334	65,494	46,334
Net finance expenses	26	158,973	76,688	158,212	75,339
Other movements relating to leases		-	(11,346)	-	(11,346)
<b>Changes in working capital:</b>					
Decrease/ (Increase) in inventories		52,097	63,678	52,097	63,678
Increase in receivables		(2,639,707)	(8,144,565)	(2,640,657)	(8,171,829)
Increase in payables		1,392,639	3,581,597	1,402,402	3,637,904
Payment for staff indemnity	19	(39,433)	(23,410)	(39,433)	(23,410)
<b>Less:</b>					
Interest and other finance expenses paid		(44,052)	(45,111)	(43,291)	(43,762)
Income tax paid		(603,687)	(331,766)	(603,687)	(331,766)
<b>Net cash flows (used in)/generated from operating activities</b>		<b>2,297,054</b>	<b>(1,691,593)</b>	<b>2,267,295</b>	<b>(1,659,408)</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment and intangible assets	6,7	(1,318,098)	(750,858)	(1,318,098)	(750,858)
Interest received		42	25	42	25
<b>Net cash flows (used in)/ generated investing activities</b>		<b>(1,318,056)</b>	<b>(750,833)</b>	<b>(1,318,056)</b>	<b>(750,833)</b>
<b>Financing activities</b>					
Repayments of borrowings		(91,621)	(91,621)	(91,621)	(91,621)
Repayment of lease liabilities		(731,824)	(506,105)	(731,824)	(506,105)
<b>Net cash flows used in financing activities</b>		<b>(823,445)</b>	<b>(597,726)</b>	<b>(823,445)</b>	<b>(597,726)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>155,553</b>	<b>(3,040,153)</b>	<b>125,795</b>	<b>(3,007,967)</b>
<b>Cash and cash equivalents at beginning of year</b>	14	<b>768,160</b>	<b>3,808,313</b>	<b>742,014</b>	<b>3,749,981</b>
<b>Cash and cash equivalents at the end of the year</b>	14	<b>923,714</b>	<b>768,160</b>	<b>867,809</b>	<b>742,014</b>

The notes on pages 41 to 82 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 2024 were approved by the Board of Directors of “Neurosoft S.A.” on 28 March 2025, are subject to the final approval of the General Shareholders Meeting and are available on the Company’s website [www.neurosoft.gr](http://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 2024.

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 2024. 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.

**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.

**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 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.

**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.

**IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’** (effective for annual periods beginning on or after 1 January 2027)

IFRS 19 was issued in May 2024. It allows subsidiaries with a parent that applies IFRS in its consolidated financial statements to apply IFRS with reduced disclosure requirements. It applies to eligible subsidiaries that elect to adopt the standard in their consolidated, separate or individual financial statements. Eligible subsidiaries are those which do not have public accountability (as described in a relevant paragraph in IFRS for Small and Medium-sized Entities) and belong to a parent that prepares and publishes consolidated financial statements in accordance with IFRS. These subsidiaries will continue to apply the recognition, measurement and presentation requirements in other IFRS, but they can replace the disclosure requirements in those standards with reduced disclosure requirements. The new standard:

- enables subsidiaries to keep only one set of accounting records—to meet the needs of both their parent company and the users of their financial statements; and
- reduces disclosure requirements—IFRS 19 permits reduced disclosures better suited to the needs of the users of their financial statements.

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

**Narrow scope amendments to IFRS 9 and IFRS 7, 'Financial Instruments: Disclosures' (effective for annual periods beginning on or after 1 January 2026)**

These amendments issued in May 2024:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement ESG targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

When an entity first applies the amendments, it is not required to restate comparative information, and is only permitted to do so if possible without the use of hindsight.

The amendments have not yet been endorsed by the EU.

**Annual Improvements to IFRS Standards Volume 11 (effective for annual periods beginning on or after 1 January 2026)**

The amendments include clarifications, simplifications, corrections and changes aimed at improving the consistency of 5 IFRS Standards namely IFRS 9 'Financial Instruments', IFRS 1 'First-time Adoption of International Financial Reporting Standards', IFRS 7 'Financial Instruments: Disclosures', IFRS 10 'Consolidated Financial Statements' and IAS 7 'Statement of Cash Flows'. None of these are expected to have a significant impact on the Group's consolidated financial statements.

The amendments have not yet been endorsed by the EU.

**Amendments to IFRS 9 and IFRS 7, 'Contracts Referencing Nature-dependent electricity' (effective for annual periods beginning on or after 1 January 2026)**

These amendments apply only to contracts that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions (such as weather) and specifically only to the nature-dependent electricity component of these contracts (not to electricity certificates). Contracts in scope include both contracts to buy or sell, physically or virtually, nature-dependent electricity and financial instruments that reference such electricity. The amendments:

- address how IFRS 9 'own-use' requirements would apply for physical PPAs;
- permit hedge accounting if these contracts are used as hedging instruments; and
- add to IFRS 7 new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

Some of the amendments are subject to prospective application and others to retrospective application. The amendments have 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
- 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 €335,622 was reclassified from " Other current assets" to "Contract assets".
- An amount of €356,250 was reclassified from " Other current liabilities" to "Contract 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 2024, 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 €1,603 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 2024 and 2023 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 2024				
	Maturity of financial liabilities				
	Within 1 year	From 1 to 2 years	Between 2 and 5 years	Over 5 years	Total
Trade payables	8,104,418	-	-	-	8,104,418
Other current liabilities <sup>1</sup>	1,496,499	-	-	-	1,496,499
Lease liabilities <sup>2</sup>	784,210	731,722	1,346,790	242,424	3,105,146
Borrowings <sup>2</sup>	120,382	-	-	-	120,382
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 <sup>1</sup>	748,356	-	-	-	748,356
Lease liabilities <sup>2</sup>	579,715	529,006	1,083,355	239,929	2,432,006
Borrowings <sup>2</sup>	104,789	97,736	23,346	-	225,871

**COMPANY**
**31 December 2024**

	Maturity of financial liabilities				Total
	Within 1 year	From 1 to 2 years	Between 2 and 5 years	Over 5 years	
Trade payables	8,104,418	-	-	-	8,104,418
Other current liabilities <sup>1</sup>	1,507,709	-	-	-	1,507,709
Lease liabilities <sup>2</sup>	784,210	731,722	1,346,790	242,424	3,105,146
Borrowings <sup>2</sup>	120,382	-	-	-	120,382

**COMPANY**
**31 December 2023**

	Maturity of financial liabilities				Total
	Within 1 year	From 1 to 2 years	Between 2 and 5 years	Over 5 years	
Trade payables	7,895,446	-	-	-	7,895,446
Other current liabilities <sup>1</sup>	756,032	-	-	-	756,032
Lease liabilities <sup>2</sup>	579,715	529,006	1,083,355	239,929	2,432,006
Borrowings <sup>2</sup>	104,789	97,736	23,346	-	225,871

<sup>1</sup> 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.

<sup>2</sup> 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 2023 and 2024, their net debt position at those dates was negative.

	GROUP		COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Long-term borrowings	-	114,527	-	114,527
Short-term borrowings	114,527	91,621	114,527	91,621
Long-term lease liabilities	2,093,865	1,729,240	2,093,865	1,729,240
Short-term lease liabilities	669,301	514,079	669,301	514,079
Cash and cash equivalents	(923,714)	(768,160)	(867,809)	(742,014)
<b>Net debt</b>	<b>1,953,979</b>	<b>1,681,308</b>	<b>2,009,884</b>	<b>1,707,454</b>
<b>Total equity</b>	<b>8,320,567</b>	<b>6,643,360</b>	<b>8,488,460</b>	<b>6,849,825</b>
<b>Net debt to equity</b>	<b>0.23</b>	<b>0.25</b>	<b>0.24</b>	<b>0.25</b>

### 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 efforts to contribute to the mitigation of such issues, 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 2024 the Greek economy continued recording solid GDP growth, above euro area, on the back of high investment levels, further reduction in unemployment and solid private consumption. The economy is projected to maintain its growth momentum in 2025 supported by European funds, prudent fiscal policy, strong private consumption and a thriving tourism sector, while at the same time the forecasted reduction of debt levels alongside primary surpluses that are estimated to exceed 2% of GDP are expected to improve Greece's creditworthiness and positively impact confidence in the economy. On the other hand, existing geopolitical risks arising from conflicts in Ukraine and Middle East and the uncertainty surrounding global trade policies could weigh negatively on euro area projected growth. An early resolution of geopolitical conflicts and an improvement of global trade conditions could, however, improve economic sentiment and the outlook for the year. Furthermore, inflation in Greece is expected to gradually decline throughout the year despite still existing pressures from energy and housing that negatively affect consumer confidence. Notwithstanding, the anticipated deceleration of euro area inflation is possible to allow further interest rate reductions by the European Central Bank in order to boost sluggish economic 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 2024-2028, 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 2024 and 2023 is analyzed as follows:

	Cyber Security Operations	Field Services Operations	Infrastructur e & Cloud Operations	Total
<b>01.01.2024 - 31.12.2024</b>				
Revenue	8,522,941	16,512,649	12,869,714	37,905,304
Cost of sales	(5,466,184)	(19,516,989)	(4,534,328)	(29,517,501)
Gross profit	<b>3,056,757</b>	<b>(3,004,340)</b>	<b>8,335,386</b>	<b>8,387,802</b>
Operating Profit	<b>1,986,867</b>	<b>(7,025,790)</b>	<b>7,445,348</b>	<b>2,406,424</b>
	Cyber Security Operations	Field Services Operations	Infrastructur e & Cloud Operations	Total
<b>01.01.2023 - 31.12.2023</b>				
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	<b>1,181,985</b>	<b>2,930,242</b>	<b>1,756,994</b>	<b>5,869,221</b>
Operating Profit	<b>430,146</b>	<b>1,172,256</b>	<b>166,354</b>	<b>1,768,756</b>

## 6. Property, plant and equipment

Property, plant and equipment are analyzed as follows:

		GROUP & COMPANY				
	Note	Buildings	Machinery	Vehicles	Furniture and other equipment	Total
<b>Cost</b>						
1 January 2023		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
Additions		37,260	35,600	-	372,036	444,896
31 December 2024		578,571	214,683	5,665	1,684,177	2,483,096
<b>Accumulated depreciation</b>						
1 January 2023		(385,891)	(58,281)	(3,061)	(882,555)	(1,329,788)
Depreciation	24	(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)
Depreciation	24	(35,318)	(20,195)	(67)	(174,796)	(230,376)
31 December 2024		(497,559)	(105,607)	(5,665)	(1,220,765)	(1,829,596)
<b>Net book value at</b>						
31.12.2023		79,070	93,672	67	266,172	438,980
Net book value at						
31.12.2024		81,012	109,077	-	463,412	653,500

The increase in Buildings and Furniture and Other Equipment primarily pertains to leasehold improvements and additions made during the year, driven by the commencement of operations in newly leased offices during the current financial year.

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:

		GROUP & COMPANY		
	Note	Buildings	Vehicles	Total
<b>Cost</b>				
1 January 2023		827,021	1,248,050	2,075,071
Additions		78,583	636,358	714,941
Lease modifications		1,373,115	-	1,373,115
Other movements		-	12,176	12,176
31 December 2023		2,278,719	1,896,585	4,175,304
Additions		501,321	634,801	1,136,122
Other movements		1,407	1,501	2,908
31 December 2024		2,781,446	2,532,887	5,314,334
<b>Accumulated depreciation</b>				
1 January 2023		(650,971)	(825,047)	(1,476,018)
Depreciation	24	(191,795)	(280,172)	(471,967)
31 December 2023		(842,765)	(1,105,220)	(1,947,985)
Depreciation	24	(297,361)	(363,172)	(660,532)
31 December 2024		(1,140,126)	(1,468,392)	(2,608,518)
<b>Net book value at</b>				
31.12.2023		1,435,954	791,365	2,227,319
31.12.2024		1,641,320	1,064,495	2,705,816

During the current financial year, the Company leased new office premises in the Metamorfosi area.

The separate and consolidated statement of financial position as of 31 December 2024 and 2023 include the following amounts related to lease liabilities:

	GROUP & COMPANY		
	Buildings	Motor Vehicles	Total
Lease liabilities - 1 January 2024	1,439,812	803,507	2,243,319
Additions	501,321	634,801	1,136,122
Interest expense	70,120	42,520	112,641
Lease payments	(337,833)	(393,992)	(731,825)
Lease amendments	1,407	1,501	2,908
Lease liabilities - 31 December 2024	1,674,827	1,088,338	2,763,166

  

	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 December 2023	1,439,812	803,507	2,243,319



	<u>GROUP &amp; COMPANY</u>	<u>GROUP &amp; COMPANY</u>
	<u>31.12.2024</u>	<u>31.12.2023</u>
Lease liabilities (short-term portion)	669,301	514,079
Lease liabilities (long-term portion)	2,093,865	1,729,240
<b>Total lease liabilities</b>	<b>2,763,166</b>	<b>2,243,319</b>

The maturity analysis of lease liabilities is presented below:

	<u>GROUP &amp; COMPANY</u>	<u>GROUP &amp; COMPANY</u>
	<u>31.12.2024</u>	<u>31.12.2023</u>
<b>Lease liabilities-minimum lease payments</b>		
Up to 1 year	784,210	579,715
1 to 2 years	731,722	529,006
2 to 5 years	1,346,790	1,083,355
Over 5 years	242,424	239,929
<b>Total</b>	<b>3,105,146</b>	<b>2,432,006</b>
Less: Future finance cost of lease liabilities	(341,980)	(188,687)
<b>Present value of lease liabilities</b>	<b>2,763,166</b>	<b>2,243,319</b>

## 8. Intangible assets

Intangible assets are analyzed as follows:

		<u>GROUP</u>		
	Note	<u>Software</u>	<u>Software development cost</u>	<u>Total</u>
<b>Cost</b>				
1 January 2023		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
Additions		873,202	-	873,202
31 December 2024		2,555,186	6,417,289	8,972,475
<b>Accumulated amortisation and impairment</b>				
1 January 2023		(761,389)	(6,230,570)	(6,991,959)
Amortization	24	(512,759)	(150,084)	(662,842)
31 December 2023		(1,274,147)	(6,380,653)	(7,654,801)
Amortization	24	(774,872)	(36,636)	(811,508)
31 December 2024		(2,049,019)	(6,417,290)	(8,466,309)
<b>Net book value at 31.12.2023</b>		<b>407,837</b>	<b>36,636</b>	<b>444,474</b>
<b>Net book value at 31.12.2024</b>		<b>506,167</b>	<b>-</b>	<b>506,167</b>

The addition during the year mainly includes software licenses, security tools, risk management platforms, and IT infrastructure.

	Note	COMPANY		
		Software	Software development cost	Total
<b>Cost</b>				
1 January 2023		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
Additions		873,202	-	873,202
31 December 2024		2,547,243	5,287,160	7,834,402
<b>Accumulated amortisation and impairment</b>				
1 January 2023		(753,446)	(5,100,439)	(5,853,885)
Amortization	24	(512,759)	(150,084)	(662,842)
31 December 2023		(1,266,204)	(5,250,523)	(6,516,728)
Amortization	24	(774,872)	(36,636)	(811,508)
31 December 2024		(2,041,076)	(5,287,159)	(7,328,236)
<b>Net book value at 31.12.2023</b>		407,837	36,636	444,474
<b>Net book value at 31.12.2024</b>		506,167	-	506,167

## 9. Investment in subsidiaries

Subsidiaries of the Company are analyzed as follows:

Company Name	31.12.2024		31.12.2023	
	Value of participation	% of participation	Value of participation	% of participation
NEUROSOFT CYPRUS LTD	249,508	100%	249,508	100%
NEUROSOFT ROMANIA SRL*	-	95%	-	95%
	<b>249,508</b>		<b>249,508</b>	

\* 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:

	31.12.2024	31.12.2023
Opening Balance	249,508	422,930
Impairment losses	-	(173,422)
Closing Balance	249,508	249,508

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.

There were no indications of impairment during the year in accordance with IAS 36, and therefore, no movement was recognized.

## 10. Other non - current assets

Other non-current assets are analyzed as follows:

	GROUP		COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Guarantees	130,881	93,301	130,881	93,301
<b>Total</b>	<b>130,881</b>	<b>93,301</b>	<b>130,881</b>	<b>93,301</b>

## 11. Inventories

Inventories are analyzed as follows:

	GROUP		COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Merchandise	680,666	732,763	680,666	732,763
<b>Total</b>	<b>680,666</b>	<b>732,763</b>	<b>680,666</b>	<b>732,763</b>

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

## 12. Trade receivables

Trade receivables are analyzed as follows:

	Note	GROUP		COMPANY	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
Trade receivables - Third Parties		14,054,000	12,373,616	14,054,000	12,373,616
Trade receivables - Related parties	30	2,661,309	2,226,504	2,654,605	2,221,224
Cheques and notes receivable		59,774	59,774	59,774	59,774
Less: Allowance for doubtful trade receivable		(292,340)	(287,476)	(292,340)	(287,476)
<b>Total</b>		<b>16,482,744</b>	<b>14,372,417</b>	<b>16,476,039</b>	<b>14,367,137</b>

The trade receivables from third parties of the Company and the Group on 31.12.2024 mainly related to the Hellenic Electricity Distribution Network Operator S.A., Vodafone and Public Power Corporation Project.

The fair value of trade receivables approximates their carrying values.

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

	<b>GROUP &amp; COMPANY</b>
1 January 2023	<u>(287,476)</u>
31 December 2023	<u>(287,476)</u>
1 January 2024	<u>(287,476)</u>
Increase of provision	<u>(4,863)</u>
31 December 2024	<u>(292,340)</u>

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 is €292,340 as of 31 December 2024 (2023: €287,476).

The ageing analysis of trade receivables as at 31 December 2024 and 2023 is the following:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
Not past due and not impaired	14,107,510	12,906,300	14,100,806	12,901,020
<b>Overdue:</b>				
Up to 3 months	1,091,716	1,143,269	1,091,716	1,143,269
3 - 6 months	10,244	31,414	10,244	31,414
6 months - 1 year	294,124	275,800	294,124	275,800
Over 1 year	1,271,490	303,110	1,271,490	303,110
	<u>16,775,083</u>	<u>14,659,893</u>	<u>16,768,379</u>	<u>14,654,613</u>
Less: Provision for impairment	<u>(292,340)</u>	<u>(287,476)</u>	<u>(292,340)</u>	<u>(287,476)</u>
<b>Trade receivables - net</b>	<u>16,482,744</u>	<u>14,372,417</u>	<u>16,476,039</u>	<u>14,367,137</u>

The respective amounts compared to the previous fiscal year have been reclassified for purposes of comparability.

Trade receivables are denominated in the following currencies:

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>31.12.2024</b>	<b>31.12.2023</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
EURO (EUR)	16,482,744	14,372,417	16,476,039	14,367,137
	<u>16,482,744</u>	<u>14,372,417</u>	<u>16,476,039</u>	<u>14,367,137</u>

### 13. Other current assets

Other current assets are analyzed as follows:

	Note	GROUP		COMPANY	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
Prepaid expenses		570,777	530,334	570,527	530,459
Advances to suppliers/creditors		109,958	95,590	109,958	95,590
Advances to employees and other advances		2,692	4,373	2,692	4,373
Receivables from related parties	30	-	-	170,257	170,257
Receivable from remeasurement of contingent consideration		-	200,000	-	200,000
Other debtors		3,827	5,875	3,930	3,228
Less: Provision for impairment		(25,922)	(25,922)	(196,179)	(196,179)
<b>Total</b>		<b>661,330</b>	<b>810,249</b>	<b>661,183</b>	<b>807,727</b>

*Reclassifications of items have been carried out in the comparative tables to ensure their comparability with the presentation of corresponding items in the financial statements of the current period (Note 2.22).*

The “receivable from remeasurement of the contingent consideration” for the previous fiscal year 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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
EURO (EUR)	661,330	810,249	661,183	807,727
	<b>661,330</b>	<b>810,249</b>	<b>661,183</b>	<b>807,727</b>

### 14. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

	GROUP		COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Cash in hand	31,925	2,999	31,925	2,999
Cash at bank	891,789	765,161	835,884	739,015
<b>Total</b>	<b>923,714</b>	<b>768,160</b>	<b>867,809</b>	<b>742,014</b>

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

	GROUP		COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
EURO (EUR)	923,278	766,610	867,373	740,465
USA Dollars (USD)	419	394	419	394
BRITISH POUND (GBP)	17	1,156	17	1,156
	<b>923,714</b>	<b>768,160</b>	<b>867,809</b>	<b>742,014</b>

## 15. Share capital

As at 31 December 2024 and 2023 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%
<b>Total</b>	<b>25,584,594</b>	<b>100.00%</b>

## 16. Reserves

Other reserves are analyzed as follows:

	GROUP		COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Legal reserve	578,801	496,484	578,801	496,484
Special reserve	4,847	4,847	4,847	4,847
<b>Total</b>	<b>583,647</b>	<b>501,331</b>	<b>583,647</b>	<b>501,331</b>

**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 2024, the Company has transferred from retained earnings to legal reserve the amount of € 82,316.

**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 & COMPANY	
	31.12.2024	31.12.2023
<b>Long-term borrowings</b>		
Long-term bank borrowings	-	114,527
<b>Total non-current borrowings</b>	<b>-</b>	<b>114,527</b>
<b>Short-term borrowings</b>		
Short-term portion of long-term bank borrowings	114,527	91,621
<b>Total current borrowings</b>	<b>114,527</b>	<b>91,621</b>
<b>Total borrowings</b>	<b>114,527</b>	<b>206,149</b>

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 2024, the outstanding balance of the loan amounts to €114,527. 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 €11,124 (Note 26).

The Company has an open credit facility account with Eurobank S.A. 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 2024, the outstanding balance of the loan amounts to €0 (2023: €-).

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 & COMPANY**

	<b>FLOATING INTEREST RATE</b>	
	<b>3 months</b>	<b>Total</b>
<b>31.12.2024</b>		
Total borrowings	114,527	114,527
	<b>114,527</b>	<b>114,527</b>
<b>31.12.2023</b>		
Total borrowings	206,149	206,149
	<b>206,149</b>	<b>206,149</b>

The maturities of non-current borrowings are as follows:

	<b>GROUP &amp; COMPANY</b>	
	<b>31.12.2024</b>	<b>31.12.2023</b>
Between 1 and 2 years	-	91,621
2 to 5 years	-	22,906
	<b>-</b>	<b>114,527</b>

## 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:

	<b>GROUP &amp; COMPANY</b>	
	<b>31.12.2024</b>	<b>31.12.2023</b>
Deferred tax liabilities	(777,833)	(670,681)
Deferred tax assets	732,446	608,495
<b>Net deferred tax liabilities</b>	<b>(45,387)</b>	<b>(62,186)</b>

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

	<b>GROUP &amp; COMPANY</b>	
	<b>31.12.2024</b>	<b>31.12.2023</b>
Balance at beginning of year	(62,186)	(104,418)
Charge recognized in statement of comprehensive income	14,629	47,908
Charge recognized in statement of other comprehensive income	2,169	(5,676)
<b>Balance at end of year</b>	<b>(45,387)</b>	<b>(62,186)</b>

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

	<b>Intangible assets</b>	<b>Right-of-use assets</b>	<b>Total</b>
<b>1 January 2023</b>	<b>(206,310)</b>	<b>(131,792)</b>	<b>(338,103)</b>
Recognized in the statement of comprehensive income	25,640	(358,218)	(332,578)
<b>31 December 2023</b>	<b>(180,671)</b>	<b>(490,010)</b>	<b>(670,681)</b>
	<b>Intangible assets</b>	<b>Right-of-use assets</b>	<b>Total</b>
<b>1 January 2024</b>	<b>(180,671)</b>	<b>(490,010)</b>	<b>(670,681)</b>
Recognized in the statement of comprehensive income	(1,883)	(105,269)	(107,152)
<b>31 December 2024</b>	<b>(182,554)</b>	<b>(595,280)</b>	<b>(777,833)</b>

#### Deferred tax assets

	<b>Leases Liabilities</b>	<b>Employee benefit plans</b>	<b>Provisions for bad debts</b>	<b>Other</b>	<b>Total</b>
<b>1 January 2023</b>	<b>138,629</b>	<b>14,605</b>	<b>62,829</b>	<b>17,622</b>	<b>233,685</b>
Recognized in the statement of comprehensive income	354,902	5,306	-	20,278	380,486
Recognized in other comprehensive income	-	(5,676)	-	-	(5,676)
<b>31 December 2023</b>	<b>493,530</b>	<b>14,235</b>	<b>62,829</b>	<b>37,900</b>	<b>608,495</b>
<b>1 January 2024</b>	<b>493,530</b>	<b>14,235</b>	<b>62,829</b>	<b>37,900</b>	<b>608,495</b>
Recognized in the statement of comprehensive income	114,366	6,244	1,070	101	121,782
Recognized in other comprehensive income	-	2,169	-	-	2,169
<b>31 December 2024</b>	<b>607,896</b>	<b>22,649</b>	<b>63,899</b>	<b>38,002</b>	<b>732,446</b>

#### 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 2024 and 2023 are as follows:

	GROUP & COMPANY	
	31.12.2024	31.12.2023
<b>Liabilities in the Statement of Financial Position for:</b>		
Retirement benefits	102,946	64,702
<b>Total</b>	<b>102,946</b>	<b>64,702</b>

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

	GROUP & COMPANY	
	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>Charge for:</b>		
Current service cost	29,835	26,379
Interest cost	2,323	1,195
Settlement cost	35,658	19,954
<b>Total</b>	<b>67,817</b>	<b>47,529</b>

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

	GROUP & COMPANY	
	31.12.2024	31.12.2023
<b>Opening balance</b>	<b>64,702</b>	<b>66,383</b>
Current service cost	29,835	26,379
Interest cost	2,323	1,195
Settlement cost	35,658	19,954
Benefits paid	(39,433)	(23,410)
Actuarial losses/(gains)	9,861	(25,799)
<b>Closing balance</b>	<b>102,946</b>	<b>64,702</b>

The principal actuarial assumptions used for accounting purposes are:

	GROUP & COMPANY	
	31.12.2024	31.12.2023
Discount rate	3.18%	3.59%
Annual salary increase	2.10%	2.10%
Inflation rate	2.00%	2.10%

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

	Effect on liability in financial year 2024		
	Change in assumption by	Increase in assumption	Decrease in assumption
Discount rate	0.50%	(4.14%)	4.37%
Annual salary increase	0.50%	3.38%	(3.23%)

## 20. Trade payables

Trade payables are analyzed as follows:

	Note	GROUP		COMPANY	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
Trade payables		8,095,982	7,890,113	8,095,982	7,890,113
Trade payables - Related parties	30	8,436	5,333	8,436	5,333
<b>Total</b>		<b>8,104,418</b>	<b>7,895,446</b>	<b>8,104,418</b>	<b>7,895,446</b>

The amount of trade payables is mainly related to the Hellenic Electricity Distribution Network Operator S.A.& Vodafone Project. Part of these payables have been paid within the first quarter of 2025.

The fair value of trade payables approximates their carrying values.

Payables are denominated in the following currencies:

	GROUP		COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
EURO (EUR)	7,939,892	7,830,436	7,939,892	7,830,436
US DOLLAR (USD)	164,526	65,002	164,526	65,002
GB POUND (GBP)	-	8	-	8
	<b>8,104,418</b>	<b>7,895,446</b>	<b>8,104,418</b>	<b>7,895,446</b>

## 21. Other tax liabilities

Other tax liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
VAT payable	1,332,211	905,542	1,339,858	906,961
Other taxes and duties payable	368,254	252,122	368,254	252,122
<b>Total</b>	<b>1,700,465</b>	<b>1,157,663</b>	<b>1,708,113</b>	<b>1,159,083</b>

## 22. Contract assets and contract liabilities

	Note	GROUP		COMPANY	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
<b>Contract assets</b>					
Contract assets from third parties		522,177	194,115	522,177	194,115
Contract assets - Related parties	30	449,300	141,507	449,300	141,507
<b>Total contract assets</b>		<b>971,477</b>	<b>335,622</b>	<b>971,477</b>	<b>335,622</b>
<b>Contract liabilities</b>					
		<b>157,645</b>	<b>356,250</b>	<b>157,645</b>	<b>356,250</b>

## 23. Other current liabilities

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Social security liabilities	492,624	384,904	492,624	384,904
Advances from customers	32,466	26,466	32,466	26,466
Accrued expenses	1,491,735	721,577	1,491,226	721,677
Other current liabilities	4,762	26,779	16,483	34,355
<b>Total</b>	<b>2,021,590</b>	<b>1,159,728</b>	<b>2,032,800</b>	<b>1,167,403</b>

*Reclassifications of items have been carried out in the comparative tables to ensure their comparability with the presentation of corresponding items in the financial statements of the current period (Note 2.22).*

The increase in “Accrued expenses” primarily relates to the obligation for performance bonuses payable to employees for 2024, amounting to €183 thousand (2023: €100 thousand), accrued storage fees of €223 thousand (2023: €- thousand), and accrued installation and maintenance expenses of €421 thousand (2023: €86 thousand).

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

## 24. Expenses per category

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

	Note	GROUP		COMPANY	
		01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Payroll and related costs	27	11,880,963	8,794,831	11,880,963	8,794,572
Professional fees and services		6,444,351	4,531,341	6,323,156	4,451,739
Taxes and duties		19,969	26,908	19,969	26,558
Cost of sales of inventory and consumables		9,576,437	7,318,684	9,576,437	7,318,684
Depreciation of PPE and right-of-use assets and amortization of intangible assets	6,7,8	1,702,416	1,404,241	1,702,416	1,404,241
Allowance for doubtful trade receivables	12	4,863	-	4,863	-
Logistics-warehousing services		1,679,296	492,532	1,679,296	492,532
Transportation expenses		1,475,852	884,407	1,475,852	884,407
Subscriptions		942,244	682,128	942,244	682,128
Consumables		299,513	175,823	299,513	175,823
Utilities		208,107	152,258	207,365	150,819
Travel expenses		486,139	404,980	486,139	404,980
Advertising costs		131,286	115,141	131,286	115,141
Rents		229,720	217,315	229,720	217,315
Insurance expenses		50,054	45,055	50,054	45,055
Other expenses		347,575	366,678	347,575	366,678
<b>Total</b>		<b>35,478,787</b>	<b>25,612,322</b>	<b>35,356,849</b>	<b>25,530,671</b>

The above expenses in the financial statements of the fiscal year 2024 and 2023 are presented as follows:

	GROUP		COMPANY	
	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Cost of sales	29,517,501	21,404,785	29,423,610	21,341,914
Distribution expenses	2,076,662	1,463,491	2,066,907	1,456,959
Administrative expenses	3,884,623	2,744,046	3,866,332	2,731,798
<b>Total</b>	<b>35,478,787</b>	<b>25,612,322</b>	<b>35,356,849</b>	<b>25,530,671</b>

## 25. Other income

	GROUP		COMPANY	
	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Grants	-	23,742	-	23,742
Rental income	6,604	12,523	6,604	12,523
Remeasurement of the contingent consideration	-	200,000	-	200,000
Other income	15,090	22,720	15,090	22,720
<b>Total</b>	<b>21,694</b>	<b>258,984</b>	<b>21,694</b>	<b>258,984</b>

The “Remeasurement of the contingent consideration” for the previous fiscal year 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.

## 26. Financial income / (expenses)

Financial income / (expenses) are analyzed as follows:

	GROUP		COMPANY	
	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>Finance expenses</b>				
Interest expense on bank borrowings	(11,124)	(16,473)	(11,124)	(16,473)
Interest expense on lease liabilities	(112,641)	(30,407)	(112,641)	(30,407)
Other finance expenses	(35,251)	(29,834)	(34,490)	(28,485)
<b>Total finance expenses</b>	<b>(159,015)</b>	<b>(76,713)</b>	<b>(158,254)</b>	<b>(75,364)</b>
<b>Finance income</b>				
Interest income	42	25	42	25
<b>Total finance income</b>	<b>42</b>	<b>25</b>	<b>42</b>	<b>25</b>
<b>Total finance expenses - net</b>	<b>(158,973)</b>	<b>(76,688)</b>	<b>(158,212)</b>	<b>(75,339)</b>

## 27. Payroll costs

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

	GROUP		COMPANY	
	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Wages and salaries	9,345,805	6,928,897	9,345,805	6,928,897
Social security costs	2,066,348	1,531,599	2,066,348	1,531,340
Costs of employee benefit plans	65,494	46,334	65,494	46,334
Other staff costs	403,317	288,001	403,317	288,001
<b>Total</b>	<b>11,880,963</b>	<b>8,794,831</b>	<b>11,880,963</b>	<b>8,794,572</b>

The number of employees for the Group and the Company on 31 December 2024, amounted to 325. On 31 December 2023, the respective number of employees was 295.

## 28. 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	
	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Current income tax on profits for the year	577,182	454,492	577,182	454,492
Deferred tax	(14,629)	(47,908)	(14,629)	(47,908)
Adjustments for current tax of prior periods	-	5,231	-	5,231
<b>Total</b>	<b>562,553</b>	<b>411,815</b>	<b>562,553</b>	<b>411,815</b>

### Amounts recognised in other comprehensive income

	GROUP		COMPANY	
	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Deferred tax	(2,169)	5,676	(2,169)	5,676
<b>Total</b>	<b>(2,169)</b>	<b>5,676</b>	<b>(2,169)</b>	<b>5,676</b>

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 and most recently by Article 78 of Law 5104/2024. 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 2023 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 2024 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.

Tax liabilities for the years 2019-2023 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.	2021-2023
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	
	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Accounting profit before tax	2,247,451	1,692,068	2,208,880	1,521,788
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	494,439	372,255	485,953	334,793
Tax effect of non-tax-deductible expenses and non-taxable income	73,464	37,085	68,642	36,693
Other items for which no deferred tax is recognized	(1,686)	(3,055)	7,957	35,098
Adjustments for current tax of prior periods	-	5,231	-	5,231
Effect from different tax rates applying in other countries where the Group operates	(3,664)	298	-	-
<b>Income tax expense</b>	<b>562,553</b>	<b>411,815</b>	<b>562,553</b>	<b>411,815</b>

## 29. 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 2024 and 2023:

	GROUP		COMPANY	
	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>Net profit attributable to the shareholders of the parent</b>	<b>1,684,898</b>	<b>1,280,253</b>	<b>1,646,327</b>	<b>1,109,973</b>
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
<b>Profit per share - basic and diluted</b>	<b>0.0659</b>	<b>0.0500</b>	<b>0.0643</b>	<b>0.0434</b>

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.

## 30. 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 AG. 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	
	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
<b>Sales of services</b>				
OPAP S.A.	13,450,600	10,419,277	13,450,600	10,419,277
OPAP Sports LTD	29,714	19,708	-	-
OPAP Cyprus LTD	125,013	73,785	-	-
	<b>13,605,327</b>	<b>10,512,769</b>	<b>13,450,600</b>	<b>10,419,277</b>

	GROUP		COMPANY	
	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Purchase of services				
Metasan S.A.	-	62,605	-	62,605
	-	62,605	-	62,605

### 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 €1,267,220 (2023: €1,129,283).

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	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
<b>Trade receivables from related parties</b>				
OPAP S.A.	2,654,605	2,221,224	2,654,605	2,221,224
OPAP Cyprus LTD	5,124	5,000	-	-
OPAP Sports LTD	1,580	280	-	-
	<b>2,661,309</b>	<b>2,226,504</b>	<b>2,654,605</b>	<b>2,221,224</b>
<b>Other receivables from related parties</b>				
- Loans granted to related parties				
Neurosoft Cyprus Ltd	-	-	125,230	125,230
	-	-	<b>125,230</b>	<b>125,230</b>
<b>Other receivables from related parties</b>				
Neurosoft Cyprus Ltd	-	-	45,027	45,027
	-	-	<b>45,027</b>	<b>45,027</b>
Provision for impairment			(170,257)	(170,257)
<b>Total other receivables from related parties</b>	-	-	-	-
<b>Contract assets from related parties</b>				
OPAP S.A.	449,300	141,507	449,300	141,507
	<b>449,300</b>	<b>141,507</b>	<b>449,300</b>	<b>141,507</b>



	GROUP		COMPANY	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Trade payables to related parties OPAP S.A.	8,436	5,333	8,436	5,333
	<b>8,436</b>	<b>5,333</b>	<b>8,436</b>	<b>5,333</b>

**31. Audit fees**

The auditors of the Company for the year 2024 and 2023 was the audit firm PRICEWATERHOUSECOOPERS S.A. The fees for auditing services and fees for the Tax Certificate for 2024 amount to €40,000 and €14,000 respectively and for 2023 amount to €35,000 and €14,000.

**32. 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 2024 and 2023 issued letters of guarantee amounted to € 1,197,839 and €822,465 respectively.

**33. Subsequent events**

There were no subsequent events that require adjustments to or disclosures in the financial statements as of 31 December 2024.

Athens, 28 March 2025

Chairman of the BoD

Chief Executive Officer

Head Accountant

Anastasia Verra

Epameinondas Paschalidis

Konstantinos Motsakos

**Deloitte.**

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Accounting Office License No: 1297

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

The annual separate and consolidated financial statements of the Company, the Auditor's report and the Reports of Management are registered on the internet at the URL [www.neurosoft.gr](http://www.neurosoft.gr)

The financial statements of consolidated companies are registered on the internet at the URL [www.neurosoft.gr](http://www.neurosoft.gr).