

**BoD of Neurosoft S.A.****A. elects Mr. Michele Fusella as Director of the Company and****B. approves 2016 1st Semester Results**

Iraklio Attikis, 22 September 2016 - The Board of Directors of **Neurosoft S.A.** met today and elected Mr. Michele Fusella as Non Executive Director of the Company and also approved the first half year results ended 30th June 2016, including the results for its subsidiaries Neurosoft Cyprus Ltd., Neurosoft Romania Srl. Neurosoft, traded on Milan's AIM Italia market ([GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), has Integrae SIM SpA as its Nominated Adviser.

A. Election of Mr Michele Fusella as new Director of Neurosoft

Mr Michele Fusella has replaced Mr. Kamil Ziegler who has resigned from his duties as communicated on September 8th, 2016.

Mr. Michele Fusella was born in 1974 in Italy. He started his career in the gambling industry in 2000, joining the pioneering e-commerce division of Coral-Eurobet. Over the next 16 years he had a successful career in the gaming and betting industry both as a senior manager and as an independent consultant. Notably, he has held the Group IT Development Director position for the Gala Coral Group, and he has been Head of IT international at Ladbrokes Plc before becoming IT Director of Sportium Apuestas Deportivas, the sports betting JV between Ladbrokes and Cirsa Group.

B. Approval of 2016 1st Semester Results

- **Consolidated revenues in the first half of 2016 € 4.87 million (€6.28 million in mid-year 2015)**
- **Gross profit € 1.9 million (€ 2.9 million in mid-year 2015)**
- **EBITDA € 1.5 million (€ 2.37 million in mid-year 2015)**
- **Profit before income taxes € 1.18 million (€ 2.13 million in mid-year 2015)**
- **Net Profit €0.75 million (€1.99 million in mid-year 2015)**
- **Net Financial Position is equal to € 2.98 million**

Neurosoft's consolidated half year revenues were € 4.87 million. The Group's Profit before income taxes for the first half of 2016 was €1.18 million, compared to € 2.13 of the previous year. The drop in revenues was due to a number of projects in the areas of ICT, Sports Betting and Factoring that have been delayed into the second half of 2016 and at the same time incurred costs for these projects. Furthermore the drop in net profits except the fact of reduced revenues, has been affected from increased taxation.

Commenting on the Group's half year results, Neurosoft CEO **Nick Vasilonikolidakis** said: "We had a stable first half, continuing to expand our product line in all areas, customer base and geographical footprint. The acquisition of OHSAS ISO and the process of acquiring ISO 27001, together with the integration of our supporting admin systems (ERP, ticketing etc), allow us to offer supreme service to our customers. Based on our half year performance, I believe that 2016 will be a year of continuous qualitative growth for the company".

Performance by Business Unit

In particular, in the first semester of 2016, Neurosoft accomplished the following per Business Unit:

Neurosoft Sports Betting Unit

- Integrated Alkemi and BOLT such as BOLT being the central Risk management system for betbuzz.com
- launched Betscape in Android and iOS with in-app purchases (advanced statistics and gaming strategies)
- Start design of Spine, a comprehensive bet transaction engine to support BOOM. First release expected end of 2016.

Factoring Unit

- Invited in a number of international tenders in UK, Netherlands and UAE which will conclude within the year
- was appointed to develop the new BASEL-III system at Piraeus Bank, which completed in April 2016
- was appointed to develop the new default calculation system for ABC factors
- Completed the vendor registration application for Payzone

Information and Communications Technology Projects

- was assigned by JV-Impregilo-Terna – Concudled ICT Infrastructure for SNFCC and additional expansions
- was assigned by local Mobile Operator. – Access & Transmission equipment Preventive Support
- was assigned by local Mobile Operator - Procurement of Juniper Networks Equipment Expansion for backbone network
- was assigned by Internation Telecom Manufacturer –Support for transport, multi-wavelength infrastructure for end-customer OTEGLOBE.
- was assigned by Internation Telecom Manufacturer – ICT Architectural Design for local railway project
- was assigned by Local Fixed Operator - Procurement of Juniper Networks Equipment Expansion for backbone network
- was assigned by International Manufacturer – Implementation of Magnetic Gates integrated solution for the main local port

Managed ICT and Cyber Security Services

- was assigned by Medical IT Services Provider - Penetration Testing and Security Assessment Services.
- was assigned by Local Legal Flrm – Outsourcing of ICT and Cyber Security Operations

- start development of an innovative product in the area of information security deception. First release expected end of 2016
- final design phase of a unique and targeted solution for Cyber Maritime threat monitoring & intelligence. Service launch Q4 2016

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Neurosoft S.A., a Greek company listed on the AIM Italia market, organized and managed by the Italian Stock Exchange ([ISIN GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), is a software development company which has evolved into a fully integrated ICT company with Software Development and System integration capabilities supplying solutions that optimize business and operational processes with a view to maximizing customer profitability. Neurosoft's innovative integrated software systems in factoring, sports betting, liability management, transactional systems, and the implementation of mission critical applications have provided tools to financial institutions, stock exchanges, telecom companies and sports betting operators in order to increase operating efficiencies, act on well-depicted real-time risk and liability analysis, and increase revenues and bottom line capitalizing on sophisticated predictive analytics. Neurosoft was founded in 1994 and became the first company to be floated in the AIM Italia market of the Milan Stock Exchange in 2009. The company's headquarters are in Athens and it has subsidiaries / Rep Offices in Cyprus, Serbia and Dubai. Integrae SIM S.p.A is Neurosoft's Nominated Adviser for the AIM Italia market.

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INTERIM STATEMENT OF COMPREHENSIVE INCOME

Note	Group		Company	
	01.01- 30.06.2016	01.01- 30.06.2015	01.01- 30.06.2016	01.01- 30.06.2015
Revenues	4.877.902	6.280.193	4.840.716	6.265.507
Cost of services	6 (2.960.131)	(3.339.237)	(2.948.481)	(3.335.087)
Gross profit	1.917.771	2.940.957	1.892.235	2.930.421
Selling and distribution expenses	6 (291.919)	(291.976)	(263.155)	(283.976)
Administrative expenses	6 (466.436)	(467.089)	(466.436)	(461.326)
Other income	54.189	3.289	54.189	3.289
Financial income	5 1.535	1.260	1.535	1.260
Financial costs	5 (34.495)	(56.296)	(34.095)	(55.896)
Profit before income taxes	1.180.644	2.130.145	1.184.271	2.133.772
Income taxes	7 (429.794)	(134.417)	(429.794)	(134.417)
Net Profit (A)	750.850	1.995.728	754.478	1.999.355
Other total comprehensive income after tax (B)	-	-	-	-
Total comprehensive income after tax (A)+(B)	750.850	1.995.728	754.478	1.999.355
Profit attributable to:				
Equity holders of the parent	750.850	1.995.728	754.478	1.999.355
Non-controlling interests	-	-	-	-
	750.850	1.995.728	754.478	1.999.355
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 (loss)/ income per share	25.584.594	25.584.594	25.584.594	25.584.594
Income per share (basic and diluted)	0,0293	0,0780	0,0295	0,0781

The accompanying notes are an integral part of the Financial Statements

INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Group		Company		
		30.06.2016	31.12.2015	30.06.2016	31.12.2015	
ASSETS						
Non-Current Assets						
Property, plant and equipment	9	570.837	554.940	570.837	554.940	
Intangible assets	10	1.803.423	1.551.375	1.711.078	1.430.268	
Investments in subsidiaries		37.000	37.000	850.500	850.500	
Other non-current assets		88.355	88.285	88.355	88.285	
Total Non-Current Assets		2.499.614	2.231.600	3.272.622	2.975.845	
Current Assets						
Inventories		610.696	549.732	610.696	549.732	
Trade accounts receivable	11	3.055.205	2.886.950	3.024.805	2.856.550	
Prepayments and other receivables	11	843.495	1.111.531	826.163	1.095.189	
Cash and cash equivalents	12	3.883.232	3.960.210	3.872.134	3.947.409	
Total Current Assets		8.392.628	8.508.423	8.484.548	8.599.630	
TOTAL ASSETS		10.892.242	10.740.024	11.757.170	11.575.475	
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the parent company						
Share capital	13	8.954.608	8.954.608	8.954.608	8.954.608	
Share premium		600.000	600.000	600.000	600.000	
Other reserves		196.067	196.067	226.169	208.391	
Retained earnings		(1.762.120)	(2.512.970)	(904.774)	(1.641.474)	
Total equity		7.988.555	7.237.705	8.876.003	8.121.525	
Minority interests		-	-	-	-	
Total equity		7.988.555	7.237.705	8.876.003	8.121.525	
Non-Current Liabilities						
Reserve for staff retirement indemnities	23	217.438	212.863	217.438	212.863	
Deferred tax liability		115.550	29.201	115.550	29.201	
Total Non-Current Liabilities		332.988	242.064	332.988	242.064	
Current Liabilities						
Trade accounts payable	14	940.874	1.661.692	929.355	1.640.109	
Short-term borrowings		901.440	987.969	901.440	987.969	
Income tax payable		393.255	48.811	393.255	48.811	
Accrued and other current liabilities	15	335.130	561.784	324.130	534.998	
Total Current Liabilities		2.570.699	3.260.255	2.548.179	3.211.886	
Total Liabilities		2.903.687	3.502.319	2.881.167	3.453.950	
TOTAL LIABILITIES AND EQUITY		10.892.242	10.740.024	11.757.170	11.575.474	

The accompanying notes are an integral part of the Financial Statements

INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

Group	Share Capital	Share Premium	Reserves	Retained Earnings	Total	Non Controlling Interests	Total
Total Equity as at 1 Jan 2015	8.954.608	600.000	196.067	(4.483.772)	5.266.904	-	5.266.904
Total operating income after tax	-	-	-	1.995.728	1.995.728	-	1.995.728
Total Equity as at 30 Jun 2015	8.954.608	600.000	196.067	(2.488.043)	7.262.632	-	7.262.632
Total Equity as at 1 Jan 2016	8.954.608	600.000	196.067	(2.512.970)	7.237.705	-	7.237.705
Total operating income after tax	-	-	-	750.850	750.850	-	750.850
Total Equity as at 30 Jun 2016	8.954.608	600.000	196.067	(1.762.120)	7.988.555	-	7.988.555

Company	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Total Equity as at 1 Jan 2015	8.954.608	600.000	208.391	(3.644.580)	6.118.419
Total operating income after tax	-	-	-	1.999.355	1.999.355
Total Equity as at 30 Jun 2015	8.954.608	600.000	208.391	(1.645.225)	8.117.774
Total Equity as at 1 Jan 2016	8.954.608	600.000	208.391	(1.641.474)	8.121.525
Total operating income after tax	-	-	-	754.478	754.478
Total Equity as at 30 Jun 2016	8.954.608	600.000	208.391	(886.996)	8.876.003

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INTERIM CASH FLOW STATEMENT

	Group		Company	
	01.01- 30.06.2016	01.01- 30.06.2015	01.01- 30.06.2016	01.01- 30.06.2015
Cash flows from Operating Activities				
Profit before income taxes	1.180.644	2.130.145	1.184.271	2.133.772
Adjustments for:				
Depreciation and amortisation	229.864	189.523	229.864	178.129
Other Provisions	9.823	9.345	9.823	9.345
Financial (income)/expenses	32.960	55.036	32.560	54.636
Operating profit before working capital changes	1.453.291	2.384.049	1.456.519	2.375.882
(Increase)/Decrease in:				
Inventories	(60.964)	(294.194)	(60.964)	(294.194)
Trade accounts receivables	(159.966)	(2.502.337)	(199.225)	(2.489.945)
Prepayments and other receivables	268.036	704.731	269.026	702.386
Trade accounts payable	(720.818)	83.214	(710.754)	83.214
Accrued and other current liabilities	(226.653)	96.262	(210.868)	91.697
Interest paid	(34.495)	(56.296)	(34.095)	(56.530)
Payment for staff indemnity	(5.248)	-	5.248	-
Other long term liabilities	(70)	(62.893)	(70)	(62.893)
Net cash from Operating Activities	513.112	352.536	514.815	349.616
Cash flows from Investing Activities				
Capital expenditure for property, plant and equipment	(505.096)	(420.339)	(505.096)	(420.339)
Interest and related income received	1.535	1.260	1.535	1.260
Net cash used in Investing Activities	(503.561)	(419.079)	(503.561)	(419.079)
Cash flow from financing activities				
Net change in short-term borrowings	(86.529)	35.468	(86.529)	35.468
Net cash from Financing Activities	(86.529)	35.468	(86.529)	35.468
Net increase (decrease) in cash and cash equivalents	(76.978)	(31.075)	(75.275)	(33.995)
Cash and cash equivalents at the beginning of the year	3.960.210	2.389.308	3.947.409	2.388.956
Cash and cash equivalents at the end of the year	3.883.232	2.358.234	3.872.134	2.354.961

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