# NEUROSOFT

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2024
(JANUARY 1 – JUNE 30, 2024)
OF NEUROSOFT SOFTWARE PRODUCTION S.A.
AND ITS SUBSIDIARIES**

**IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS
(AS ENDORSED BY THE EUROPEAN UNION)**

## CONTENTS OF INTERIM FINANCIAL REPORT

# STATEMENTS OF MEMBERS OF THE BOARD OF DIRECTORS

The following statements are given by the following Members of the Board of Directors of the Company:

1. Anastasia Verra, Chairman of the BoD
2. Epameinondas Paschalidis, CEO

The undersigned, in our above-mentioned capacity, as specifically appointed by the Board of Directors of the societe anonyme company under the name "Neurosoft Software Production Societe Anonyme" (hereinafter referred to as "Company" or as "Neurosoft"), we state, and we assert that to the best of our knowledge:

(a) The attached Interim Condensed Financial Information (Consolidated and Separate) of the societe anonyme company under the name "Neurosoft Software Production Societe Anonyme" for the period from January 1, 2024 to June 30, 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 six-month Report of the Board of Directors of the Company provide a true and fair view of the information required according to the provisions of the Euronext Growth Rules related to the periodic disclosure obligations of an Issuer, Chapter 4.

Iraklio, September 16, 2024

| | |
|---|---|
| Anastasia Verra | Epameinondas Paschalidis |
| Chairman of the BOD | CEO of the Company |

# SIX-MONTH REPORT OF THE BOARD OF DIRECTORS
**of «Neurosoft S.A. »**

Regarding the interim condensed consolidated Financial Statements
for the six-month period ended June 30, 2024

This six-month Report of the Board of Directors (hereinafter referred for brevity as the **"Report"** or **"Six-month Report"**), refers to the six-month period (01.01.2024-30.06.2024). It has been prepared in accordance with the provisions of the Euronext Growth Rules related to the periodic disclosure obligations of an Issuer, Chapter 4 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 Mr. Paschalidis hold the remaining 5%,

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

**SECTION A**

**Significant events that occurred during the six-month period ended June 30, 2024**

The significant events that occurred during the six-month period ended June 30, 2024 (01.01.2024-30.06.2024) with calendar order, as well as any impact on the six-month financial statements are summarized as follows:

**IPTO (Independent Power Transmission Operator) - Supply of equipment and upgrade of existing Data Center and creation of a Disaster Recovery Center**

IPTO has issued in December 2023 an RFP with a budget of € 9.5M related to the modernization of their IT systems and Data Centers as well as the provision of a backup active-active system.

The Company formed a union of companies with Performance Technologies S.A ( with participation of Neurosoft 51% and of Performance Technologies 49%), and jointly participated in the RFP. The technical proposal was based on advanced networking solutions by Cisco & Dell and included sophisticated design and implementation services by Oracle, as well as maintenance and support services.

Following a demanding evaluation process, IPTO awarded the contract to the Neurosoft-Performance Union in June 2024 and the contract was signed in August 2024. The project duration is 60 months and will be split in two phases, the design & implementation phase that will be concluded during the first 16 months and the subsequent phase of maintenance and support. The total related contract value for the Company will be €4,7M with a unilateral client option to increase the scope of work and therefore the contract value by 50%.

**SECTION B**

**Principal risks and uncertainties**

The Group operates in a highly competitive and especially challenging local and international environment, which is rapidly changing. Over the last few years the Group has systematically tried to enhance its extroversion in the geographical areas of interest, with emphasis on a continuous upgrade of products and provided solutions, while in the meantime it develops new products and promotes its entry into new markets, with a view to further penetrate new markets and thus strengthen its competitiveness.

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 Group's Management continuously monitors the foreign exchange risks that may arise and evaluates the need for such measures.

**2. Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates. The Company’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. Management monitors fluctuations in interest rates on a continuous basis and evaluates the need for taking positions to hedge against such risks. At 30 June 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 €1,832 higher, excluding any positive impact of interest income on deposits.

**3. Credit risk**

Credit risk is the risk of financial loss to the Group if a counterparty fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and trade and other receivables. For banks and financial institutions only well established with good reputation parties are accepted and the Company set limits to the degree of exposure for each financial institution. The Management of the Group ensures that sales are addressed to customers with high credit reliability and ability. 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.

**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 potential shortfalls in cash resources. For the monitoring of the liquidity risk, the Group prepares cash flow 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 | |
|---|---|---|---|---|
| | 30.06.2024 | 31.12.2023 | 30.06.2024 | 31.12.2023 |
| Long-term borrowings | 68,716 | 114,527 | 68,716 | 114,527 |
| Short-term borrowings | 91,621 | 91,621 | 91,621 | 91,621 |
| Long-term lease liabilities | 2,129,305 | 1,729,240 | 2,129,305 | 1,729,240 |
| Short-term lease liabilities | 595,309 | 514,079 | 595,309 | 514,079 |
| Cash and cash equivalents | (1,633,135) | (768,160) | (1,527,491) | (742,014) |
| **Net debt** | **1,251,816** | **1,681,308** | **1,357,460** | **1,707,454** |
| **Total equity** | **6,918,314** | **6,643,360** | **7,099,536** | **6,849,825** |
| **Net debt to equity** | **0.18** | **0.25** | **0.19** | **0.25** |

**6. Climate change risk**

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

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

In the first half of 2024, the Greek economy experienced ongoing expansion, fueled by increased investment levels and robust private consumption. The energy prices are normalized as well as there is deceleration in inflation due to high interest rates even though the ongoing conflict between Ukraine and Russia, as well as the volatile situation in the Middle East. However, it's important to note that prolonged geopolitical tensions could pose a downside risk to projected growth.

**SECTION C**

**Important related party transactions**

Related parties have been identified based on the requirements of IAS 24 “Related Party Disclosures”.

The Group includes all entities which Company 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. 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 period with related parties under IAS 24, are as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **01.01.2024 - 30.06.2024** | **01.01.2023 - 30.06.2023** | **01.01.2024 - 30.06.2024** | **01.01.2023 - 30.06.2023** |
| **Sales of services** | | | | |
| OPAP S.A. | 6,976,345 | 5,362,257 | 6,976,345 | 5,362,257 |
| OPAP Sports LTD | 7,733 | 4,690 | - | - |
| OPAP Cyprus LTD | 67,872 | 39,803 | - | - |
| | **7,051,950** | **5,406,750** | **6,976,345** | **5,362,257** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **01.01.2024 - 30.06.2024** | **01.01.2023 - 30.06.2023** | **01.01.2024 - 30.06.2024** | **01.01.2023 - 30.06.2023** |
| **Purchase of services** | | | | |
| Metasan S.A. | - | 47,050 | - | 47,050 |
| | **-** | **47,050** | **-** | **47,050** |

**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 €507,698 (30.06.2023: €433,086).

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 closings balances of receivables and liabilities at year end, which have resulted from transactions with related parties under IAS 24, are as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.06.2024** | **31.12.2023** | **30.06.2024** | **31.12.2023** |
| **Trade receivables from related parties** | | | | |
| OPAP S.A. | 3,423,705 | 2,362,731 | 3,423,705 | 2,362,731 |
| OPAP Cyprus LTD | 4,100 | 5,000 | - | - |
| OPAP Sports LTD | 1,160 | 280 | - | - |
| | **3,428,965** | **2,368,011** | **3,423,705** | **2,362,731** |
| **Other receivables from related parties** | | | | |
| **- Loans granted to related parties** | | | | |
| Neurosoft Cyprus Ltd | - | - | 125,230 | 125,230 |
| | **-** | **-** | **125,230** | **125,230** |
| **Other receivables from related parties** | | | | |
| Neurosoft Cyprus Ltd | | - | 45,027 | 45,027 |
| | **-** | **-** | **45,027** | **45,027** |
| Provision for impairment | | | (170,257) | (170,957) |
| **Total other receivables from related parties** | **-** | **-** | **-** | **-** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.06.2024** | **31.12.2023** | **30.06.2024** | **31.12.2023** |
| **Trade payables to related parties** | | | | |
| OPAP S.A. | 2,276 | 5,333 | 2,276 | 5,333 |
| | **2,276** | **5,333** | **2,276** | **5,333** |

**SECTION D**

**Financial and Operational Highlights of first half 2024**

**The key financial figures of the Group are as follows:**

| | 30.06.2024 | 30.06.2023 |
|---|---|---|
| **Revenue** | 16,227,313 | 11,824,138 |
| **Gross profit** | 3,187,952 | 2,669,509 |
| **Net profit** | 274,955 | 494,197 |
| **EBITDA** | 1,204,358 | 1,319,589 |
| **Working Capital** | 5,186,418 | 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.

| | 2024 | 2023 |
|---|---|---|
| **Gross profit margin** | 19.65% | 22.58% |
| **Net profit margin** | 1.69% | 4.18% |
| **EBITDA / Revenue** | 7.42% | 11.16% |
| **Current ratio** | 1.71 | 1.47 |
| **Debt / Equity** | 1.39 | 2.04 |
| **Equity / Total assets** | 41.79% | 32.85% |
| **Revenue / Total assets** | 0.98 | 0.58 |

## SECTION E

## Subsequent events

As of the day of the drafting of this report, there are no other significant events that have occurred since the end of the current fiscal period except for the below:

**Major Utility Operator – Provision of Integrated "Security Operation Center" Services & Information Management & Security Incidents for Business Systems.**

A major Utility Operator issued in November 2023 an RFP for the provision, Interconnection, operation and optimization of a full suite of security services that include monitoring services (24X7), threat responses, security incident management services and vulnerability assessment. The total budget of the RFP was € 370K.

The Operator awarded the contract to Neurosoft SA in August 2024. The project has a total duration of 2+1 years and it is divided in two phases a) design & implementation phase which will be concluded within the first 3 months and b) training & support services phase. The total contract value for Neurosoft will be €300k.

# UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

For the period ended

June 30, 2024

In accordance with the International Financial Reporting Standards as adopted by the European Union

## CONTENTS OF UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

## INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Note | 30.06.2024 | 31.12.2023 | 30.06.2024 | 31.12.2023 |
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Property, plant & equipment | 6 | 547,226 | 438,980 | 547,226 | 438,980 |
| Right-of-use assets | 7 | 2,690,614 | 2,227,319 | 2,690,614 | 2,227,319 |
| Intangible assets | 8 | 692,383 | 444,474 | 692,383 | 444,474 |
| Investments in subsidiaries | 9 | - | - | 249,508 | 249,508 |
| Other non - current assets | | 134,409 | 93,301 | 134,409 | 93,301 |
| | | **4,064,632** | **3,204,074** | **4,314,140** | **3,453,582** |
| **Current assets** | | | | | |
| Inventories | | 1,063,834 | 732,763 | 1,063,834 | 732,763 |
| Trade receivables | 10 | 7,269,074 | 14,372,417 | 7,263,814 | 14,367,137 |
| Other current assets | 11 | 2,527,843 | 1,145,870 | 2,530,492 | 1,143,349 |
| Cash and cash equivalents | 12 | 1,633,135 | 768,160 | 1,527,491 | 742,014 |
| | | **12,493,886** | **17,019,210** | **12,385,631** | **16,985,263** |
| **Total assets** | | **16,558,518** | **20,223,284** | **16,699,771** | **20,438,845** |
| **EQUITY** | | | | | |
| Share capital | 13 | 3,965,612 | 3,965,612 | 3,965,612 | 3,965,612 |
| Share premium | | 600,000 | 600,000 | 600,000 | 600,000 |
| Reserves | 14 | 501,331 | 501,331 | 501,331 | 501,331 |
| Retained earnings | | 1,851,371 | 1,576,416 | 2,032,593 | 1,782,882 |
| **Total equity** | | **6,918,314** | **6,643,360** | **7,099,536** | **6,849,825** |
| **LIABILITIES** | | | | | |
| **Non-current liabilities** | | | | | |
| Borrowings | 15 | 68,716 | 114,527 | 68,716 | 114,527 |
| Lease liabilities | 7 | 2,129,305 | 1,729,240 | 2,129,305 | 1,729,240 |
| Deferred tax liabilities | | 53,935 | 62,186 | 53,935 | 62,186 |
| Employee benefit plans | | 80,781 | 64,702 | 80,781 | 64,702 |
| | | **2,332,737** | **1,970,655** | **2,332,737** | **1,970,655** |
| **Current liabilities** | | | | | |
| Trade payables | 16 | 3,798,437 | 7,895,446 | 3,798,437 | 7,895,446 |
| Borrowings | 15 | 91,621 | 91,621 | 91,621 | 91,621 |
| Lease liabilities | 7 | 595,309 | 514,079 | 595,309 | 514,079 |
| Income tax liabilities | | 357,458 | 434,482 | 357,458 | 434,482 |
| Other tax liabilities | 17 | 848,762 | 1,157,663 | 846,246 | 1,159,083 |
| Other current liabilities | 18 | 1,615,880 | 1,515,978 | 1,578,427 | 1,523,654 |
| | | **7,307,467** | **11,609,269** | **7,267,498** | **11,618,365** |
| **Total liabilities** | | **9,640,204** | **13,579,924** | **9,600,235** | **13,589,020** |
| **Total equity and liabilities** | | **16,558,518** | **20,223,284** | **16,699,771** | **20,438,845** |

The notes on pages 17 to 36 form an integral part of these interim condensed financial statements.

## INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Note | 01.01.2024 - 30.06.2024 | 01.01.2023 - 30.06.2023 | 01.01.2024 - 30.06.2024 | 01.01.2023 - 30.06.2023 |
| Revenue | 5 | 16,227,313 | 11,824,138 | 16,143,865 | 11,779,645 |
| Cost of sales | 19 | (13,039,361) | (9,154,628) | (12,995,353) | (9,121,891) |
| **Gross profit** | | **3,187,952** | **2,669,509** | **3,148,512** | **2,657,754** |
| Distribution expenses | 19 | (950,294) | (696,816) | (945,722) | (693,415) |
| Administrative expenses | 19 | (1,781,802) | (1,306,530) | (1,773,229) | (1,300,153) |
| Other income | - | 10,438 | 45,697 | 10,438 | 45,697 |
| Other gain – (losses) | - | (31,905) | (28,717) | (31,305) | (27,597) |
| **Operating Profit** | | **434,389** | **683,143** | **408,694** | **682,286** |
| Finance income | 20 | 22 | 8 | 22 | 8 |
| Finance expenses | 20 | (71,543) | (35,703) | (71,092) | (34,724) |
| **Profit before income tax** | | **362,867** | **647,448** | **337,623** | **647,570** |
| Income tax | 21 | (87,912) | (153,251) | (87,912) | (153,251) |
| **Profit after tax** | | **274,955** | **494,197** | **249,711** | **494,319** |
| **Other comprehensive income** | | | | | |
| **Total comprehensive income** | | **274,955** | **494,197** | **249,711** | **494,319** |
| | | | | | |
| **Profit for the period attributable to:** | | | | | |
| Equity holders of the parent | | 274,955 | 494,197 | - | - |
| | | **274,955** | **494,197** | **-** | **-** |
| | | | | | |
| **Total comprehensive income** | | | | | |
| Equity holders of the parent | | 274,955 | 494,197 | - | - |
| | | **274,955** | **494,197** | **-** | **-** |

The notes on pages 17 to 36 form an integral part of these interim condensed financial statements.

## INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

**GROUP**

| | 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 period | - | - | - | 494,197 | 494,197 |
| **Total comprehensive profit for the period (net of tax)** | **-** | **-** | **-** | **494,197** | **494,197** |
| **30 June 2023** | **3,965,612** | **600,000** | **445,832** | **825,736** | **5,837,180** |
| Net profit for the period | | | | 786,056 | 786,056 |
| Other comprehensive income | - | - | - | 20,123 | 20,123 |
| **Total comprehensive income for the year (net of tax)** | **-** | **-** | **-** | **1,300,376** | **1,300,376** |
| Legal reserve | - | - | 55,499 | (55,499) | - |
| **31 December 2023** | **3,965,612** | **600,000** | **501,331** | **1,576,416** | **6,643,360** |
| | | | | | |
| **1 January 2024** | **3,965,612** | **600,000** | **501,331** | **1,576,416** | **6,643,360** |
| Net profit for the period | - | - | - | 274,955 | 274,955 |
| **Total comprehensive income for the period (net of tax)** | **-** | **-** | **-** | **274,955** | **274,955** |
| **30 June 2024** | **3,965,612** | **600,000** | **501,331** | **1,851,371** | **6,918,314** |

The notes on pages 17 to 36 form an integral part of these interim condensed financial statements.

**COMPANY**

| | Share capital | Share premium | Reserves | Retained earnings | Total |
|---|---|---|---|---|---|
| **1 January 2023** | **3,965,612** | **600,000** | **445,832** | **708,286** | **5,719,730** |
| Net profit for the period | - | - | - | 494,319 | 494,319 |
| **Total comprehensive income for the period (net of tax)** | **-** | **-** | **-** | **494,319** | **494,319** |
| **30 June 2023** | **3,965,612** | **600,000** | **445,832** | **1,202,604** | **6,214,048** |
| Net profit for the period | - | - | - | 615,655 | 615,655 |
| Other comprehensive income | - | - | - | 20,123 | 20,123 |
| **Total comprehensive income for the year (net of tax)** | **-** | **-** | **-** | **635,778** | **635,778** |
| Legal reserve | - | - | 55,499 | (55,499) | - |
| **31 December 2023** | **3,965,612** | **600,000** | **501,331** | **1,782,882** | **6,849,825** |
| | | | | | |
| **1 January 2024** | **3,965,612** | **600,000** | **501,331** | **1,782,882** | **6,849,825** |
| Net profit for the period | - | - | - | 249,711 | 249,711 |
| **Total comprehensive income for the period (net of tax)** | **-** | **-** | **-** | **249,711** | **249,711** |
| **30 June 2024** | **3,965,612** | **600,000** | **501,331** | **2,032,593** | **7,099,536** |

The notes on pages 17 to 36 form an integral part of these interim condensed financial statements.

## INTERIM CONDENSED CASH FLOW STATEMENT

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Note | 01.01.2024 - 30.06.2024 | 01.01.2023 - 30.06.2023 | 01.01.2024 - 30.06.2024 | 01.01.2023 - 30.06.2023 |
| **Profit before tax** | | **362,867** | **647,448** | **337,623** | **647,570** |
| **Adjustments for:** | | | | | |
| Depreciation & amortisation | 6,7,8 | 769,970 | 636,446 | 769,970 | 636,446 |
| Employee benefit plans | | 14,918 | 13,190 | 14,918 | 13,190 |
| Net finance expenses | 20 | 71,522 | 35,695 | 71,071 | 34,716 |
| Exchange differences | | 7,324 | 4,200 | 7,324 | 4,200 |
| Increase in inventories | | (331,070) | (4,972) | (331,070) | (4,972) |
| (Increase)/decrease in receivables | | 5,680,262 | (881,381) | 5,675,072 | (887,870) |
| Decrease in payables | | (4,368,822) | (2,756,121) | (4,417,886) | (2,709,689) |
| **Less:** | | | | | |
| Interest and other finance expenses paid | | (24,869) | (18,310) | (24,418) | (17,331) |
| Income tax paid | | (163,212) | - | - | - |
| **Net cash flows generated (used in) /from operating activities** | | **2,018,889** | **(2,323,806)** | **1,939,391** | **(2,283,741)** |
| **Investing activities** | | | | | |
| Purchase of property, plant and equipment and intangible assets | 6,8 | (815,227) | (406,531) | (815,227) | (406,531) |
| Interest received | | 22 | 8 | 22 | 8 |
| **Net cash flows used in investing activities** | | **(815,205)** | **(406,523)** | **(815,205)** | **(406,523)** |
| **Financing activities** | | | | | |
| Repayments of borrowings | 15 | (45,811) | (45,811) | (45,811) | (45,811) |
| Repayment of lease liabilities | | (292,898) | (253,660) | (292,898) | (253,660) |
| **Net cash flows used in financing activities** | | **(338,709)** | **(299,471)** | **(338,709)** | **(299,471)** |
| **Net increase / (decrease) in cash and cash equivalents** | | **864,975** | **(3,029,800)** | **785,477** | **(2,989,734)** |
| **Cash and cash equivalents at beginning of period** | | **768,160** | **3,808,313** | **742,014** | **3,749,981** |
| **Cash and cash equivalents at the end of the period** | 12 | **1,633,135** | **778,513** | **1,527,491** | **760,247** |

The notes on pages 17 to 36 form an integral part of these interim condensed financial statements.

# NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

## 1. General information

Neurosoft Software Production Societe Anonyme (the "Company") is 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: Provision of high-end Cyber Security solutions and services and development of innovative security products. In a world of viruses, malwares, and hacktivists, Neurosoft has compiled a suite of practical and technologically advanced tools and methods to significantly enhance the protection of 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 consolidated and separate unaudited interim condensed financial statements for the period ended June 30, 2024 were approved by the Board of Directors of "Neurosoft S.A." on September 16, 2024 and are available on the Company's website www.neurosoft.gr, under the section "Investor Relations" and sub-section "Financial Reports".

**Information on the Subsidiaries:**

(a) «Neurosoft Cyprus Ltd.», headquartered in Cyprus, in which the Company holds a stake of 100% of its share capital.

(b) «Neurosoft Romania Srl.» headquartered in Romania, in which the Company holds 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 consolidated and separate interim condensed financial statements, for the six-month period ended at June 30, 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The consolidated and separate interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the published annual financial statements for the year ended December 31, 2023 which are available on the Company's website www.neurosoft.gr .

These interim condensed separate and consolidated financial information have been prepared under the historical cost convention and the assumption of business continuity. Management continuously assesses the conditions and potential effects of the Company's operations in order to ensure that it will continue as a going concern.

The accounting policies adopted for the preparation of these interim financial statements are consistent with those followed for the year ended December 31, 2023 considering the changes to Standards and Interpretations applicable from 01.01.2024.

The preparation of the Financial Statements, in accordance with International Financial Reporting Standards (IFRS), requires the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies which have been adopted. 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 Standard, 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 January 1, 2024. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

<u>Standards and Interpretations effective for the current financial period</u>

**IAS 1 'Presentation of Financial Statements' (Amendments)**

- **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'**

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**

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

**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. The amendments have not yet been endorsed by the EU.

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

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

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

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

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

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

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

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

In May 2024, the International Accounting Standards Board (IASB) issued a new standard, IFRS 19 "Subsidiaries without Public Liability: Disclosures". The new standard allows qualifying entities to elect to apply the reduced disclosure requirements of IFRS 19 instead of the disclosure requirements set out in other IFRSs. IFRS 19 operates in parallel with other IFRSs, as subsidiaries will be required to apply the measurement, recognition and presentation requirements set out in other IFRSs and the reduced disclosure requirements described in IFRS 19. This simplifies the preparation of financial statements for subsidiaries that meet the requirements of this Standard while maintaining their usefulness to users. The amendments are effective for accounting periods beginning on or after 1 January 2027. The Group will consider the impact of all of the above on its Financial Statements. It has not yet been endorsed by the EU.

**IFRS 9 - Amendments to the Classification and Measurement of Financial Instruments** (effective for annual periods beginning on or after 01 January 2026)

In May 2024, the International Accounting Standards Board (IASB) issued amendments to the classification and measurement requirements of IFRS 9 "Financial Instruments" and corresponding disclosures of IFRS 7 "Financial Instruments: Disclosures". In particular, the new amendments clarify when a financial liability should be derecognised when it is settled by electronic payment. It also provides additional guidance on the assessment of contractual cash flow characteristics for financial assets linked to ESG (environmental, social and corporate governance) criteria. In addition, the disclosure requirements for investments in equity securities designated at fair value through other comprehensive income were amended and disclosure requirements were added for financial instruments with contingent features not directly related to key risks and borrowing costs. The amendments are effective for accounting periods beginning on or after 1 January 2026. The Group will consider the impact of all of the above on its Financial Statements. It has not yet been endorsed by the EU.

### 2.3 Basis of consolidation

#### (a) Subsidiaries

The consolidated financial statements are comprised of the financial statements of the Company and all subsidiaries controlled by the Company directly or indirectly. Control exists when the Group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated 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.

## 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's revenues are mainly based on Euro denominated agreements and therefore the Group is not exposed to foreign exchange risk. However, the Group's management continuously monitors the foreign exchange risks that may arise and evaluates the need for such measures.

**ii) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the interest rates. The Group's exposure to the risk of changes in interest rates relates to the Group's bank borrowings, which are at floating rates. Management monitors on a continuous basis, fluctuations in interest rates and evaluates the need for taking relevant positions to hedge against such risks. At 30 June 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 €1,832 higher, excluding any positive impact of interest income on deposits.

**(b) Credit risk**

Credit risk is the risk of financial loss to the Group and the Company 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 Company ensures that sales are addressed to customers with high credit reliability and ability. Due to the expansion of the Company's activities abroad, the credit risk increases, especially in relation to foreign customers, for whom the effective control of their credibility is not always easy. Therefore, the Company 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 potential shortfalls in cash resources. For the monitoring of the liquidity risk, the Group prepares cash flow forecasts on a frequent basis to ensure it has sufficient cash to meet its needs.

### 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.

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.06.2024 | 31.12.2023 | 30.06.2024 | 31.12.2023 |
| Long-term borrowings | 68,716 | 114,527 | 68,716 | 114,527 |
| Short-term borrowings | 91,621 | 91,621 | 91,621 | 91,621 |
| Long-term lease liabilities | 2,129,305 | 1,729,240 | 2,129,305 | 1,729,240 |
| Short-term lease liabilities | 595,309 | 514,079 | 595,309 | 514,079 |
| Cash and cash equivalents | (1,633,135) | (768,160) | (1,527,491) | (742,014) |
| **Net debt** | **1,251,816** | **1,681,308** | **1,357,461** | **1,707,454** |
| **Total equity** | **6,918,314** | **6,643,360** | **7,099,536** | **6,849,825** |
| **Net debt to equity** | **0.18** | **0.25** | **0.19** | **0.25** |

### 3.3 Other risks

Climate change risk

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

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

In the first half of 2024, the Greek economy experienced ongoing expansion, fueled by increased investment levels and robust private consumption. The energy prices are normalized as well as there is deceleration in inflation due to high interest rates even though the ongoing conflict between Ukraine and Russia, as well as the volatile situation in the Middle East. However, it's important to note that prolonged geopolitical tensions could pose a downside risk to projected growth.

## 4. Significant estimates and judgements of the management

For the preparation of the condensed interim financial statements, the significant accounting judgments on the part of the Management during the application of the Group's accounting policies, as well as the main sources of uncertainty assessment are the same as those adopted during the preparation of the annual financial statements of December 31, 2023.

## 5. Group segment information

The Group’s primary segment reporting is categorized by business activity because the risk and profitability of the Group are mainly affected by the type of the product and services offered.

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

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

**1) Cyber Security Operations**

In a cyber world full of viruses, malware, hacktivists and cyber criminals the Group and the Company have a mission to efficiently 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 periods ended June 30, 2024 and 2023 is analyzed as follows:

| **01.01.2024 - 30.06.2024** | **Cyber Security Operations** | **Field Services Operations** | **Infrastructure & Cloud Operations** | **Total** |
|---|---|---|---|---|
| Revenue | 3,004,981 | 7,880,815 | 5,341,517 | 16,227,313 |
| Cost of sales | (2,343,106) | (6,555,190) | (4,141,065) | (13,039,361) |
| **Gross profit** | **661,875** | **1,325,625** | **1,200,452** | **3,187,952** |
| **Operating Profit/ (Loss)** | **158,659** | **(48,882)** | **324,611** | **434,389** |

| **01.01.2023 - 30.06.2023** | **Cyber Security Operations** | **Field Services Operations** | **Infrastructure & Cloud Operations** | **Total** |
|---|---|---|---|---|
| Revenue | 1,790,634 | 6,233,746 | 3,799,759 | 11,824,138 |
| Cost of sales | (1,591,972) | (4,398,728) | (3,163,928) | (9,154,628) |
| **Gross profit** | **198,662** | **1,835,018** | **635,830** | **2,669,509** |
| **Operating Profit/ (Loss)** | **(130,025)** | **877,029** | **(63,861)** | **683,143** |

## 6. Property, plant and equipment

Property, plant and equipment are analyzed as follows:

| | | GROUP & COMPANY | | | | |
|---|---|---|---|---|---|---|
| | **Note** | **Buildings** | **Machinery** | **Vehicles** | **Furniture and other equipment** | **Total** |
| **Cost** | | | | | | |
| **1 January 2023** | | **501,026** | **94,873** | **3,218** | **1,090,136** | **1,689,252** |
| Additions | | 19,610 | 28,547 | 2,448 | 79,893 | 130,498 |
| **30 June 2023** | | **520,636** | **123,419** | **5,666** | **1,170,029** | **1,819,750** |
| Additions | | 20,675 | 55,664 | (1) | 142,112 | 218,450 |
| **31 December 2023** | | **541,311** | **179,084** | **5,665** | **1,312,141** | **2,038,200** |
| Additions | | 1,260 | 18,238 | - | 174,273 | 193,771 |
| **30 June 2024** | | **542,572** | **197,322** | **5,665** | **1,486,412** | **2,231,971** |
| **Accumulated depreciation** | | | | | | |
| **1 January 2023** | | **(385,891)** | **(58,281)** | **(3,061)** | **(882,555)** | **(1,329,788)** |
| Depreciation expense | 19 | (34,243) | (4,706) | (220) | (47,774) | (86,943) |
| **30 June 2023** | | **(420,134)** | **(62,987)** | **(3,281)** | **(930,329)** | **(1,416,731)** |
| Depreciation expense | | (42,108) | (22,424) | (2,317) | (115,640) | (182,489) |
| **31 December 2023** | | **(462,241)** | **(85,412)** | **(5,598)** | **(1,045,969)** | **(1,599,220)** |
| Depreciation expense | 19 | (21,800) | (8,500) | (45) | (55,180) | (85,525) |
| **30 June 2024** | | **(484,041)** | **(93,911)** | **(5,643)** | **(1,101,149)** | **(1,684,746)** |
| **Net book value at 31.12.2023** | | **79,070** | **93,672** | **67** | **266,172** | **438,980** |
| **Net book value at 30.06.2024** | | **58,530** | **103,410** | **22** | **385,263** | **547,226** |

There is no property, plant and equipment pledged as security.

## 7. Right-of-use assets and Lease liabilities

Right-of-use assets are analyzed as follows:

| | Note | GROUP & COMPANY Buildings | Vehicles | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| **1 January 2023** | | **827,021** | **1,248,050** | **2,075,071** |
| Additions | | 19,283 | 454,065 | 473,348 |
| **30 June 2023** | | **846,304** | **1,702,115** | **2,548,419** |
| Additions | | 59,300 | 182,293 | 241,593 |
| 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 | 272,872 | 774,193 |
| **30 June 2024** | | **2,780,040** | **2,169,457** | **4,949,497** |
| **Accumulated depreciation** | | | | |
| **1 January 2023** | | **(650,971)** | **(825,047)** | **(1,476,018)** |
| Depreciation expense | 19 | (91,164) | (133,359) | (224,524) |
| **30 June 2023** | | **(742,135)** | **(958,406)** | **(1,700,542)** |
| Depreciation expense | | (100,631) | (146,813) | (247,444) |
| **31 December 2023** | | **(842,765)** | **(1,105,220)** | **(1,947,985)** |
| Depreciation expense | 19 | (141,583) | (169,315) | (310,898) |
| **30 June 2024** | | **(984,349)** | **(1,274,534)** | **(2,258,884)** |
| **Net book value at 31.12.2023** | | **1,435,954** | **791,365** | **2,227,319** |
| **Net book value at 30.06.2024** | | **1,795,691** | **894,923** | **2,690,614** |

The interim condensed consolidated and separate statement of financial position includes the following amounts related to lease liabilities:

| | GROUP & COMPANY Buildings | Vehicles | Total |
|---|---|---|---|
| **Lease liabilities - 1 January 2024** | **1,439,812** | **803,507** | **2,243,319** |
| Additions | 501,321 | 272,872 | 774,193 |
| Interest expense | 32,049 | 16,503 | 48,553 |
| Lease payments | (159,453) | (181,998) | (341,451) |
| **Lease liabilities - 30 June 2024** | **1,813,729** | **910,885** | **2,724,614** |

| | 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** |

| | 30.06.2024 | 31.12.2023 |
|---|---|---|
| Lease liabilities (short-term portion) | 595,309 | 514,079 |
| Lease liabilities (long-term portion) | 2,129,305 | 1,729,240 |
| **Total lease liabilities** | **2,724,614** | **2,243,319** |

## 8. Intangible assets

Intangible assets are analyzed as follows:

| | | GROUP | | |
|---|---|---|---|---|
| | Note | Software | Software development cost | Total |
| **Cost** | | | | |
| **1 January 2023** | | **1,280,075** | **6,417,289** | **7,697,365** |
| Additions | | 276,034 | - | 276,034 |
| **30 June 2023** | | **1,556,109** | **6,417,289** | **7,973,398** |
| Additions | | 125,876 | - | 125,876 |
| **31 December 2023** | | **1,681,984** | **6,417,289** | **8,099,274** |
| Additions | | 621,456 | - | 621,456 |
| **30 June 2024** | | **2,303,440** | **6,417,289** | **8,720,729** |
| **Accumulated amortisation and impairment** | | | | |
| **1 January 2023** | | **(761,389)** | **(6,230,569)** | **(6,991,958)** |
| Amortisation expense | 19 | (249,938) | (75,042) | (324,980) |
| **30 June 2023** | | **(1,011,327)** | **(6,305,611)** | **(7,316,938)** |
| Amortisation expense | | (262,821) | (75,042) | (337,863) |
| **31 December 2023** | | **(1,274,147)** | **(6,380,653)** | **(7,654,801)** |
| Amortisation expense | 19 | (344,323) | (29,224) | (373,547) |
| **30 June 2024** | | **(1,618,470)** | **(6,409,877)** | **(8,028,347)** |
| **Net book value at 31.12.2023** | | **407,837** | **36,636** | **444,474** |
| **Net book value at 30.06.2024** | | **684,970** | **7,413** | **692,383** |

| | | COMPANY | | |
|---|---|---|---|---|
| | Note | Software | Software development cost | Total |
| **Cost** | | | | |
| **1 January 2023** | | **1,272,131** | **5,287,160** | **6,559,291** |
| Additions | | 276,034 | - | 276,034 |
| **30 June 2023** | | **1,548,165** | **5,287,160** | **6,835,325** |
| Additions | | 125,876 | - | 125,876 |
| **31 December 2023** | | **1,674,041** | **5,287,160** | **6,961,201** |
| Additions | | 621,456 | - | 621,456 |
| **30 June 2024** | | **2,295,497** | **5,287,160** | **7,582,657** |
| **Accumulated amortisation and impairment** | | | | |
| **1 January 2023** | | **(754,434)** | **(5,099,451)** | **(5,853,885)** |
| Amortisation charge | | (249,938) | (75,042) | (324,980) |
| **30 June 2023** | | **(1,004,372)** | **(5,174,493)** | **(6,178,865)** |
| Amortisation charge | 19 | (262,821) | (75,042) | (337,863) |
| **31 December 2023** | | **(1,267,192)** | **(5,249,535)** | **(6,516,728)** |
| Amortisation charge | 19 | (344,323) | (29,224) | (373,547) |
| **30 June 2024** | | **(1,611,515)** | **(5,278,758)** | **(6,890,274)** |
| **Net book value at 31.12.2023** | | **406,849** | **37,624** | **444,474** |
| **Net book value at 30.06.2024** | | **683,982** | **8,401** | **692,383** |

## 9. Investment in subsidiaries

Subsidiaries of the Company are analyzed as follows:

| | 30.06.2024 | | 31.12.2023 | |
|---|---|---|---|---|
| **Company Name** | **Value of participation** | **% of participation** | **Value of participation** | **% of participation** |
| NEUROSOFT CYPRUS LTD | 249,508 | 100% | 249,508 | 100% |
| NEUROSOFT ROMANIA SRL* | - | 95% | - | 95% |
| | **249,508** | | **249,508** | |

* 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:

| | 30.06.2024 | | 31.12.2023 |
|---|---|---|---|
| **Opening Balance** | **249,508** | | **422,930** |
| Impairment losses | - | | (173,422) |
| **Closing Balance** | **249,508** | - | **249,508** |

As of 31.12.2023 an impairment test was carried out for the subsidiary NEUROSOFT CYPRUS LTD. Based on the results of the impairment test, the Company proceeded to the recognition of impairment losses for the amount of €173,422.

## 10. Trade receivables

Trade receivables are analyzed as follows:

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | **Note** | **30.06.2024** | **31.12.2023** | **30.06.2024** | **31.12.2023** |
| Trade receivables - Third Parties | | 3,680,415 | 11,853,680 | 3,680,415 | 11,853,680 |
| Trade receivables - Related parties | 22 | 3,428,965 | 2,368,011 | 3,423,705 | 2,362,731 |
| Cheques and notes receivable | | 59,774 | 59,774 | 59,774 | 59,774 |
| Doubtful trade receivables | | 174,321 | 174,321 | 174,321 | 174,321 |
| Other | | 213,075 | 204,108 | 213,075 | 204,108 |
| Less: Allowance for doubtful trade receivables | | (287,476) | (287,476) | (287,476) | (287,476) |
| **Total** | | **7,269,074** | **14,372,417** | **7,263,814** | **14,367,137** |

The fair value of trade receivables approximates their carrying values.

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.

The decrease in trade receivables from third parties of the Company and the Group on 30.06.2024 compared to 31.12.2023 is mainly attributed to the collection of receivables related to the PPC - SD LAN & Structured Cabling Project.

## 11. Other current assets

Other current assets are analyzed as follows:

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Note | 30.06.2024 | 31.12.2023 | 30.06.2024 | 31.12.2023 |
| Prepaid expenses | | 420,627 | 448,261 | 423,332 | 448,386 |
| Contract assets | | 2,031,666 | 417,694 | 2,031,666 | 417,694 |
| Advances to suppliers/creditors | | 93,229 | 95,590 | 93,229 | 95,590 |
| Advances to employees and other advances | | 4,516 | 4,373 | 4,516 | 4,373 |
| Receivables from related parties | 22 | - | - | 170,257 | 170,257 |
| Other debtors | | 3,727 | 5,875 | 3,671 | 3,228 |
| Receivable from remeasurement of contingent consideration | | - | 200,000 | - | 200,000 |
| Less: Provision for impairment | | (25,922) | (25,922) | (196,179) | (196,179) |
| **Total** | | **2,527,843** | **1,145,870** | **2,530,491** | **1,143,349** |

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

Contract Assets for the Group and the Company include an amount of € 1,003,979, as accrued revenue for the transactions between Group and Company (see Note 22).

## 12. Cash and cash equivalents

Cash and cash equivalents are analyzed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.06.2024 | 31.12.2023 | 30.06.2024 | 31.12.2023 |
| Cash in hand | 21,035 | 2,999 | 21,035 | 2,999 |
| Cash at bank | 1,612,100 | 765,161 | 1,506,456 | 739,015 |
| **Total** | **1,633,135** | **768,160** | **1,527,491** | **742,014** |

## 13. Share capital

As of June 30, 2024, the Company's share capital amounted to €3,965,612, divided into 25,584,594 ordinary shares with a par value of €0.155 each.

The shareholders of the Company's share capital are as follows:

| Shareholders | Number of shares | Percentage % |
|---|---|---|
| OPAP INVESTMENT LIMITED | 9,770,444 | 38.19% |
| OPAP INTERNATIONAL LIMITED | 6,401,241 | 25.02% |
| OPAP CYPRUS LIMITED | 1,154,315 | 4.51% |
| INTERNATIONAL GAME TECHNOLOGY PLC | 4,176,537 | 16.32% |
| FREE FLOAT | 4,082,057 | 15.96% |
| **Total** | **25,584,594** | **100.00%** |

## 14. Reserves

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.06.2024** | **31.12.2023** | **30.06.2024** | **31.12.2023** |
| Legal reserve | 496,484 | 496,484 | 496,484 | 496,484 |
| Special reserves | 4,847 | 4,847 | 4,847 | 4,847 |
| **Total** | **501,331** | **501,331** | **501,331** | **501,331** |

**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.

**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.

## 15. Borrowings

| | GROUP AND COMPANY | |
|---|---|---|
| | **30.06.2024** | **31.12.2023** |
| **Long-term borrowings** | | |
| Long-term bank borrowings | 68,716 | 114,527 |
| **Total non-current borrowings** | **68,716** | **114,527** |
| **Short-term borrowings** | | |
| Short-term portion of long-term bank borrowings | 91,621 | 91,621 |
| **Total current borrowings** | **91,621** | **91,621** |
| **Total borrowings** | **160,337** | **206,149** |

On March 30, 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 December 31, 2025. As of June 30, 2024, the outstanding balance of the loan amounts to €160,337. The loan is at floating rate based on 3 months Euribor, plus a margin of 3% and a contribution of 0.6%. During the period, the company proceeded with capital repayment of € 45,811 and the interest expense recognized was € 11,095 (Note 25).

The Company has an open credit facility account with Eurobank S. with credit limit of 2,000,000. The facility is at floating rate, equal to the working capital base rate as announced by the Bank. As at 30 June 2024, the outstanding balance of the loan amounts to €- (31.12.2023: €-).

All Company borrowings are expressed in Euros.

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

## 16. Trade payables

Trade payables are analyzed as follows:

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Note | 30.06.2024 | 31.12.2023 | 30.06.2024 | 31.12.2023 |
| Trade payables | | 3,796,161 | 7,890,113 | 3,796,161 | 7,890,113 |
| Trade payables - Related parties | 22 | 2,276 | 5,333 | 2,276 | 5,333 |
| **Total** | | **3,798,437** | **7,895,446** | **3,798,437** | **7,895,446** |

The decrease in trade payables is attributed to the settlement of payables related to projects awarded to the Company during the previous fiscal year, for which the corresponding supplies were purchased.

The fair value of trade payables approximates their carrying values.

## 17. Other tax liabilities

Tax liabilities are analyzed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.06.2024 | 31.12.2023 | 30.06.2024 | 31.12.2023 |
| VAT payable | 621,594 | 905,542 | 619,079 | 906,961 |
| Other taxes and duties payable | 227,167 | 252,122 | 227,167 | 252,122 |
| **Total** | **848,762** | **1,157,663** | **846,246** | **1,159,083** |

## 18. Other current liabilities

Other current liabilities are analyzed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.06.2024 | 31.12.2023 | 30.06.2024 | 31.12.2023 |
| Social security liabilities | 233,302 | 384,904 | 233,302 | 384,904 |
| Contract liabilities | 764,330 | 356,250 | 764,330 | 356,250 |
| Advances from customers | 26,466 | 26,466 | 26,466 | 26,466 |
| Accrued expenses | 512,302 | 721,577 | 512,302 | 721,677 |
| Other current liabilities | 79,479 | 26,779 | 42,027 | 34,355 |
| **Total** | **1,615,880** | **1,515,978** | **1,578,477** | **1,523,654** |

The accrued expenses mainly concern €474K. employees’ expense (Vacation & Christmas bonus provision).

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

## 19. Expenses per category

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

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 01.01.2024 - 30.06.2024 | 01.01.2023 - 30.06.2023 | 01.01.2024 - 30.06.2024 | 01.01.2023 - 30.06.2023 |
| Payroll and related costs | 5,785,238 | 4,219,768 | 5,785,238 | 4,219,510 |
| Professional fees and services | 2,572,877 | 2,087,225 | 2,516,156 | 2,045,951 |
| Taxes and duties | 7,205 | 4,961 | 7,205 | 4,611 |
| Cost of sales of inventory and consumables | 3,892,776 | 2,447,773 | 3,892,776 | 2,447,773 |
| Depreciation of PPE and right-of-use assets and amortization of intangible assets | 769,970 | 636,446 | 769,970 | 636,446 |
| Logistics-warehousing services | 677,421 | 262,806 | 677,421 | 262,806 |
| Transportation expenses | 593,812 | 284,233 | 593,812 | 284,233 |
| Subscriptions | 441,682 | 278,656 | 441,682 | 278,656 |
| Consumables | 116,255 | 100,385 | 116,255 | 100,385 |
| Utilities | 82,349 | 79,786 | 81,917 | 79,152 |
| Travel expenses | 239,931 | 180,696 | 239,931 | 180,696 |
| Advertising costs | 82,617 | 62,709 | 82,617 | 62,709 |
| Rents | 115,412 | 113,193 | 115,412 | 113,193 |
| Insurance expenses | 23,609 | 21,214 | 23,609 | 21,214 |
| Other expenses | 370,302 | 378,124 | 370,302 | 378,124 |
| **Total** | **15,771,457** | **11,157,975** | **15,714,304** | **11,115,459** |

The above expenses of the Group and the Company for the periods ended June 30, 2024 and 2023, are allocated as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 01.01.2024 - 30.06.2024 | 01.01.2023 - 30.06.2023 | 01.01.2024 - 30.06.2024 | 01.01.2023 - 30.06.2023 |
| Cost of sales | 13,039,361 | 9,154,628 | 12,995,353 | 9,121,891 |
| Distribution expenses | 950,294 | 696,816 | 945,722 | 693,415 |
| Administrative expenses | 1,781,802 | 1,306,530 | 1,773,229 | 1,300,153 |
| **Total** | **15,771,457** | **11,157,975** | **15,714,304** | **11,115,459** |

## 20. Finance income / (expenses)

Finance income / (expenses) are analyzed as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **01.01.2024 - 30.06.2024** | **01.01.2023 - 30.06.2023** | **01.01.2024 - 30.06.2024** | **01.01.2023 - 30.06.2023** |
| **Finance expenses** | | | | |
| Interest expense on bank borrowings | (11,095) | (8,258) | (11,095) | (8,258) |
| Interest expense on lease liabilities | (48,553) | (12,537) | (48,553) | (12,537) |
| Other finance expenses | (11,896) | (14,909) | (11,445) | (13,930) |
| **Total finance expenses** | **(71,543)** | **(35,703)** | **(71,092)** | **(34,724)** |
| **Finance income** | | | | |
| Interest income | 22 | 8 | 22 | 8 |
| **Total finance income** | **22** | **8** | **22** | **8** |
| **Total finance expenses - net** | **(71,522)** | **(35,695)** | **(71,071)** | **(34,716)** |

## 21. Income taxes

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **01.01.2024 - 30.06.2024** | **01.01.2023 - 30.06.2023** | **01.01.2024 - 30.06.2024** | **01.01.2023 - 30.06.2023** |
| Current income tax | 96,163 | 168,210 | 96,163 | 168,210 |
| Deferred tax | (8,251) | (14,959) | (8,251) | (14,959) |
| **Total** | **87,912** | **153,251** | **87,912** | **153,251** |

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 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.

## 22. 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 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. 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 - 30.06.2024** | **01.01.2023 - 30.06.2023** | **01.01.2024 - 30.06.2024** | **01.01.2023 - 30.06.2023** |
| **Sales of services** | | | | |
| OPAP S.A. | 6,976,345 | 5,362,257 | 6,976,345 | 5,362,257 |
| OPAP Sports LTD | 7,733 | 4,690 | - | - |
| OPAP Cyprus LTD | 67,872 | 39,803 | - | - |
| | **7,051,950** | **5,406,750** | **6,976,345** | **5,362,257** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **01.01.2024 - 30.06.2024** | **01.01.2023 - 30.06.2023** | **01.01.2024 - 30.06.2024** | **01.01.2023 - 30.06.2023** |
| **Purchase of services** | | | | |
| Metasan S.A. | - | 47,050 | 47,050 | 47,050 |
| | **-** | **47,050** | **47,050** | **47,050** |

**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 €507,698 (30.06.2023: €433,086).

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 closings balances of receivables and liabilities at year end, which have resulted from transactions with related parties under IAS 24, are as follows:

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | **30.06.2024** | **31.12.2023** | **30.06.2024** | **31.12.2023** |
| **Trade receivables from related parties** | | | | |
| OPAP S.A. | 3,423,705 | 2,362,731 | 3,423,705 | 2,362,731 |
| OPAP Cyprus LTD | 4,100 | 5,000 | - | - |
| OPAP Sports LTD | 1,160 | 280 | - | - |
| | **3,428,965** | **2,368,011** | **3,423,705** | **2,362,731** |
| **Other receivables from related parties** | | | | |
| **- Loans granted to related parties** | | | | |
| Neurosoft Cyprus Ltd | - | - | 125,230 | 125,230 |
| | **-** | **-** | **125,230** | **125,230** |
| **Other receivables from related parties** | | | | |
| Neurosoft Cyprus Ltd | | - | 45,027 | 45,027 |
| | **-** | **-** | **45,027** | **45,027** |
| Provision for impairment | | | (170,257) | (170,257) |
| **Total other receivables from related parties** | **-** | **-** | **-** | **-** |

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 30.06.2024 | 31.12.2023 | 30.06.2024 | 31.12.2023 |
| **Trade payables to related parties** | | | | |
| OPAP S.A. | 2,276 | 5,333 | 2,276 | 5,333 |
| | **2,276** | **5,333** | **2,276** | **5,333** |

## 23. 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 additional provisions have been recognized.

### b) Guarantees

The Company have issued letters of guarantee to various beneficiaries to assure their liabilities. As of June 30, 2024, and December 31, 2023, issued letters of guarantee amounted to €1,069,189 and €822,465 respectively.

## 24. Subsequent events

There were no subsequent events that require adjustments to or disclosures in the financial statements as of 30 June 2024.

Athens, September 16, 2024

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

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