



BoD of Neurosoft S.A. approves 2018 1st Semester Results

Approval of 2018 1st Semester Results

- **Consolidated revenues in the first half of 2018 €6.24 million (€4.88 million in mid-year 2017)**
- **Gross profit €0.25 million (€1.55 million in mid-year 2017)**
- **EBITDA negative for €0.52 million (€1.14 million in mid-year 2017)**
- **Profit before income taxes negative for €1.25 million (€0.63 million in mid-year 2017)**
- **Net Profit negative for €1.05 million (€0.33 million in mid-year 2017)**
- **Net Financial Position is cash positive and amounted to € 1.28 million**

Iraklio Attikis, 19 September 2018 - The Board of Directors of Neurosoft S.A. met today and approved the first half year results ended 30 June 2018, including the results for its subsidiaries Neurosoft Cyprus Ltd., Neurosoft Romania Srl, Neurosoft Cyber and Analytics Ltd. Neurosoft, traded on Milan's AIM Italia market (GRS802003004, Reuters NRST.MI, Bloomberg NRST:IM), has Integrae SIM SpA as its Nominated Adviser.

Commenting on the Group's half year results, Neurosoft CEO **Nick Vasilonikolidakis** said: "Neurosoft has progressively enriched and modified its portfolio of products therefore a significant growth in the revenues of the group, compared to the first half of 2017, occurred. All business segments have almost equally improved their revenues. The expenses (payroll and 3rd party fees) that burdened our S1 EBITDA are expected to leverage income during S2 and hence to increase the financial standing of the company; during S2 we will focus on improving the company's productivity and efficiency by applying innovative solutions to the challenges we face".

Neurosoft's consolidated half year revenues were €6.24 million, while during the 1H 2017 the revenues were €4.88 million.

The Group's gross profit for the first half of 2018 was €0.25 million, compared to €1.55 of the previous 1H 2017. Neurosoft's Net Profit was negative for €1.05 million compared to €0.33 million in mid-year 2017. This reduction was mainly due to increased cost of services to effectively support new projects.

Net Financial Position is cash positive and is equal to €1.28 million (compared to cash for €2.98 million at 30.06.2017) and includes cash and cash equivalents for €2.4 million, long term financial debts for €0.71 million and short term financial debts for €0.41 million.

Performance per Business Unit

Factoring and Financials Unit

In the Financial Sector, Neurosoft has strengthened its presence in UAE and Europe, participating in several RFPs in the area the outcome of which will be finalized in S2 2018. At the same time, the company maintains its prevailing position in the Greek market with existing customers as well as with new customers in the supply chain finance field. Product development for SCF continues in three axes, the self on-boarding module, the analytics module and the integration with the Oracle Blockchain Cloud service.

Sport Betting & Gaming Analytics Unit

In Gaming, the new version of BOLT has been integrated with BGT's gaming system. It has been concluded and is already in production in OPAP. At the same time, the company proceeded with finishing the DGM (Digital Gaming Middleware) which aggregates gaming feeds from heterogeneous sources. The Unit also is investigating the leveraging of Blockchain technology in Gaming.

Information and Communications Technology Projects

In the ICT Sector the company has made considerable inroads in delivering its objectives improving its services and satisfying its clients' existing needs making the company a reliable partner that deploys the best solutions and cutting-edge technology always with maximum efficiency and competitiveness. Therefore, the company has been assigned several projects by Mobile Operators, Construction Companies, Telecom Manufacturer, Local Fixed Operators for Procurement of Juniper Networks Equipment Expansion for backbone network, maintenance Services of Juniper Networks Equipment etc.

Managed ICT and Cyber Security Services

In this Sector the Company has made a tremendous progress to further expand in foreign markets. It is worth mentioning that the company has undertaken complicated and challenging projects such as the commercial launch of Cyber Maritime threat monitoring & intelligence service, the BETA finalization and customers POC of **Illicium**, our in-house innovative product in information security deception. The Company has undertaken new projects such as that of a Medical IT Services Provider concerning – Information Security Forensics services, the outsourcing of ICT and Cyber Security Operations by a Legal Firm and last but not least that project by a Mobile Operator concerning Security Assessment activities – Frame Agreement expansion.

fully integrated ICT company combining Software Development and System Integration and Information Technology Security capabilities. The Company is listed in AIM Milan since 2009. The staff headcount exceeds 130 highly skilled employees with in-depth experience in their field. The company is located in Athens and has subsidiaries/Rep Offices in Cyprus, UK and Dubai.

Neurosoft business activities include:

- Design, development and integration of innovative products and solutions for Sports Betting companies, Factoring & other Financial Institutions with fully customized Business Intelligence & Risk Management solutions.
- Design, implementation operation and support of large scale infrastructure solutions for Operators of Critical Networks and Critical National Infrastructures Stakeholders.
- Provision of Cyber security services (Security Assessments, Consulting and Managed Security Services).

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

As of today 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- 30.06.2018	01.01- 30.06.2017	01.01- 30.06.2018	01.01- 30.06.2017
Revenues	4	6,237,605	4,880,381	6,204,405
Cost of services	6	(5,981,770)	(3,323,447)	(5,969,380)
Gross profit		255,834	1,556,934	235,024
Selling and distribution expenses	6	(612,244)	(368,080)	(612,244)
Administrative expenses	6	(1,094,203)	(617,897)	(1,071,427)
Other income		227,052	86,643	227,052
Financial income	5	164	344	164
Financial costs	5	(23,176)	(27,110)	(21,212)
Profit / (Loss) before income taxes		(1,246,572)	630,833	(1,242,642)
Income taxes	7	193,986	(302,304)	193,986
Net Profit / (Loss) (A)		(1,052,586)	328,529	(1,048,656)
Net other comprehensive income not to be reclassified in profit or loss in subsequent period:				
Re-measurement profit or loss on benefits plans		-	-	-
Income taxes		-	-	-
Other total comprehensive income after tax (B)		-	-	-
Total comprehensive income after tax (A)+(B)		(1,052,586)	328,529	(1,048,656)
Profit / (Loss) attributable to:		(1,052,586)	328,529	(1,048,656)
Equity holders of the parent		(1,052,586)	328,529	(1,048,656)
Non-controlling interests		-	-	-
		(1,052,586)	328,529	(1,048,656)
Total weighted average number of ordinary shares		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
Income / (Loss) per share (basic and diluted)		(0.0411)	0.0128	(0.0410)
		-	-	-

The accompanying notes are an integral part of the Financial Statements

INTERIM STATEMENT OF FINANCIAL POSITION

	Note	Group		Company		
		30.06.2018	31.12.2017	30.06.2018	31.12.2017	
ASSETS						
Non-Current Assets						
Property, plant and equipment	9	508.508	494.852	508.508	494.852	
Intangible assets	10	4.675.447	5.268.872	4.675.447	5.268.872	
Goodwill		-	-	51.852	51.852	
Investments in subsidiaries	8	-	-	813.501	813.501	
Other non-current assets		126.113	114.666	126.113	114.666	
Total Non-Current Assets		5.310.068	5.878.390	6.175.421	6.743.743	
Current Assets						
Inventories		557.748	559.020	557.748	559.020	
Trade accounts receivable	11	3.597.504	3.410.329	3.555.258	3.366.579	
Prepayments and other receivables	11	363.311	518.093	334.565	498.271	
Receivables from intra Group Companies	11	-	-	211.000	166.151	
Cash and cash equivalents	12	2.400.397	2.495.105	2.371.374	2.454.582	
Total Current Assets		6.918.960	6.982.547	7.029.946	7.044.603	
TOTAL ASSETS		12.229.028	12.860.937	13.205.367	13.788.346	
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		377.638	377.638	377.638	377.638	
Retained earnings		(2.411.872)	(1.359.287)	(1.402.295)	(353.640)	
Total equity		7.520.374	8.572.959	8.529.951	9.578.606	
Minority interests		-	-	-	-	
Total equity		7.520.374	8.572.959	8.529.951	9.578.606	
Non-Current Liabilities						
Long term loans		710.067	755.878	710.067	755.878	
Reserve for staff retirement indemnities		187.760	164.960	187.760	164.960	
Deferred tax liability		1.131.630	1.325.616	1.131.630	1.325.616	
Total Non-Current Liabilities		2.029.457	2.246.454	2.029.457	2.246.454	
Current Liabilities						
Trade accounts payable	14	1.262.791	1.076.175	1.252.072	1.064.647	
Short-term borrowings		407.000	-	407.000	-	
Income tax payable		52.762	54.336	52.762	54.336	
Accrued and other current liabilities	15	956.644	911.012	934.125	844.302	
Total Current Liabilities		2.679.198	2.041.524	2.645.959	1.963.286	
Total Liabilities		4.708.654	4.287.978	4.675.416	4.209.740	
TOTAL LIABILITIES AND EQUITY		12.229.028	12.860.937	13.205.367	13.788.346	

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 2017	8,954,608	600,000	196,067	(588,469)	9,162,206	-	9,162,206
Total operating income after tax	-	-	-	328,529	328,529	-	328,529
Total Equity as at 30 Jun 2017	8,954,608	600,000	196,067	(259,939)	9,490,735	-	9,490,735
Total Equity as at 1 Jan 2018	8,954,608	600,000	377,638	(1,359,287)	8,572,959	-	8,572,959
Total operating income after tax	-	-	-	(1,052,586)	(1,052,586)	-	(1,052,586)
Total Equity as at 30 Jun 2018	8,954,608	600,000	377,638	(2,411,873)	7,520,373	-	7,520,374

Company	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Total Equity as at 1 Jan 2017	8,954,608	600,000	377,638	187,955	10,120,202
Total operating income after tax	-	-	-	344,159	344,159
Total Equity as at 30 Jun 2017	8,954,608	600,000	377,638	532,114	10,464,360
Total Equity as at 1 Jan 2018	8,954,608	600,000	377,638	-353,640	9,578,606
Total operating income / (expense) after tax	-	-	-	(1,048,656)	(1,048,656)
Total Equity as at 30 Jun 2018	8,954,608	600,000	377,638	(1,402,296)	8,529,951

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INTERIM CASH FLOW STATEMENT

	Group	Company		
	01.01- 30.06.2018	01.01- 30.06.2017	01.01- 30.06.2018	01.01- 30.06.2017
Cash flows from Operating Activities				
Profit / (Loss) before income taxes	(1,246,572)	630,834	(1,242,642)	646,463
Adjustments for:				
Depreciation and amortisation	706,003	485,457	706,003	456,694
Other Provisions	46,805	12,918	46,805	12,918
Financial (income)/expenses	23,012	26,766	21,048	25,602
Operating profit before working capital changes	(470,753)	1,155,975	(468,787)	1,141,677
(Increase)/Decrease in:				
Inventories	1,272	(97,658)	1,272	(97,658)
Trade accounts receivables	(210,246)	1,580,924	(211,750)	1,580,924
Prepayments and other receivables	154,782	(334,273)	118,857	(327,252)
Trade accounts payable	186,615	(260,101)	187,424	(230,037)
Accrued and other current liabilities	45,632	(262,224)	89,823	(290,429)
Interest paid	(23,176)	(27,110)	(21,212)	(25,946)
Tax paid	(1,574)	(2,200)	(1,574)	(2,200)
Payment for staff indemnity	(933)	-	(933)	-
Other long term liabilities	(11,447)	(17,634)	(11,447)	(17,634)
Net cash from Operating Activities	(329,827)	1,735,699	(318,327)	1,731,445
Cash flows from Investing Activities				
Capital expenditure for tangible and intangible assets	(126,234)	(1,679,785)	(126,234)	(1,679,785)
Interest and related income received	164	344	164	344
Net cash used in Investing Activities	(126,070)	(1,679,441)	(126,070)	(1,679,441)
Cash flow from financing activities				
Net change in long-term borrowings	(45,811)	-	(45,811)	-
Net change in short-term borrowings	407,000	(46,311)	407,000	(46,311)
Net cash from Financing Activities	361,189	(46,311)	361,189	(46,311)
Net increase (decrease) in cash and cash equivalents	(94,708)	9,947	(83,208)	5,693
Cash and cash equivalents at the beginning of the year	2,495,105	3,108,874	2,454,582	3,108,465
Cash and cash equivalents at the end of the year	2,400,397	3,118,821	2,371,374	3,114,157

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