

Iraklio, Attica, April 18<sup>th</sup>, 2022



## **Board of Directors of Neurosoft S.A. approves 2021 Annual Financial Statements**

- **Consolidated Revenues in 2021 amounted to € 15,76 million (€14,73 million in 2020)**
- **Gross Profit in 2021 amounted to €3,52 million (€0.62 million in 2020)**
- **EBITDA in 2021 amounted to € 2,35 million (€ (0,92) million in 2020)**
- **EBIT in 2021 amounted to € 0,80 million (€ (2,82) million in 2020)**
- **Net Profit in 2021 amounted to € 0.90 million (€ (2,60) million in 2020)**
- **Net Cash in 2021 amounted to € (0.45) million (€0.69million of net debt in 2020)**
- **Total equity structure verifies article 119 par. 4 of L. 4548/2018. The Company's main shareholder is committed to enhance Neurosoft capital structure in case of need**

**Iraklio, Attica, April 18, 2022** - The Board of Directors of **Neurosoft S.A.**, a fully integrated ICT Company, traded on Milan's Euronext Growth Italia market ([GRS802003004](#), [Reuters NRST.MI](#), [Bloomberg NRST:IM](#)), has **Banca Intermobiliare SpA** as its Nominated Adviser, met today and approved Neurosoft's Consolidated Annual Audited Financial Statements (including the results for its subsidiaries, Neurosoft Cyprus Ltd and Neurosoft Romania Srl) for the year ended December 31<sup>st</sup>, 2021.

*"Our vision is to empower organizations to achieve growth through technology and innovation. We endeavor to increase customer impact by introducing added-value solutions and services that assist productivity, competitiveness, and efficiency in both the Enterprise and Public Sectors. This past year, I have had the privilege to see it in action, as customers of every size, in every industry use our solutions and services to help them address their own challenges and business needs. Year 2021 highlighted the hard work and true commitment of Neurosoft's employees, the creativity of our partners and the trust of our customers resulting to a strong performance. In this context, the financial results which are announced today certify Neurosoft is on a steady growth path."* **stated Epameinondas Paschalidis, Chief Executive Officer of Neurosoft S.A.**

### **2021 Neurosoft Group Consolidated Performance**

The FY 2021 ended with consolidated revenues equal to € 15,76 million continuing last year's upturn, proved to be a year that tested Neurosoft resilience and determination in striving for excellence.

2021 EBITDA (€2.35 million) illustrates a truly extraordinary year and it is the direct result of the continuous efforts and commitment to deliver value to stakeholders and partners.

Economies of scale, cost control processes, expanded clientele basis and strategic alliance reflect the outstanding financial performance.

2021 EBIT stands at € 0,80 million (€ - 2,82 million in 2020) and, as a result, 2021 Net Profit is equal to € 0,90 million (€ - 2,60 million in 2020).

2021 Equity is equal to € 4,06 million (€ 3,13 million in 2020) with a 2021 Net Cash that amounts to € (0.45) million versus net debt of € 0.69 million in 2020.

Additionally, as of December 31, 2021 the Group and the Company have positive working capital of €3,03 Million and €3,07 Million respectively, as well as, sufficient undrawn borrowing facilities that can be utilized if needed. The Company's main shareholder is committed to enhance its capital structure in case it is deemed necessary, for at least within the next 12 months from the approval of Financial Statements.

### **Anticipated course and Company's development for the year 2022**

Following a successful 2021 there is optimism regarding the achievement of the 2022 financial and business objectives, despite the clearly difficult global environment affecting the domestic market and economy. The Company will continue to invest in added value technological solutions and services, following international market trends, which are expected to yield a dynamic response in the targeted markets. The Company's unique selling point will be its E2E capacity to design, implement, maintain and operate ICT infrastructures providing high-end services from Systems to Field to Cyber. Our focus will remain on the home market, Greece and Cyprus, for both our Systems Engineering and Cyber Security business with the exception of Angel and RedyOps for which we have been receiving interest from international companies. In parallel, the Company will evaluate operational models to ensure a smooth diversification of the Systems Engineering Segment, between the Business Lines of ICT Infrastructure and Field Services, in order to increase customer satisfaction and product specialization.

### **COVID-19 impact**

Many countries -including Greece- cope with the continuing impact of the Covid-19 pandemic. The Company has implemented a cross functional, company-wide response team focused on addressing the impact of the global pandemic on our employees, customers, liquidity, financial position and continuity of services. The Company has implemented proactive and reactive restrictions, remote working and specific health and safety measures. Neurosoft has also introduced a number of cost and capital expenditure reductions; as well as actions to increase liquidity and flexibility with a focus on effective working capital management. The Company continues to monitor the extent of the coronavirus (COVID-19) global pandemic and its impact on the business, financial condition, liquidity, results of operations, and cash flows. The Management expects that the Company will be enabled to meet the financing costs and working capital needs, and its ability to continue as going concern will not be affected.

### **Geopolitical Risks**

The Company is not directly exposed to the geopolitical tension in Europe and the inflationary pressures driven by the energy crisis, however the Company closely monitors the changes and continuously assesses all possible risks

**Important related party transactions**

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

During the 2021, the related party transactions referring to provision of Neurosoft services in the normal course of business, were equal to 7.8 million euro. The Company has adopted the rules provided by the applicable legislation and Euronext Growth Milan rules. In particular, these transactions took place at arm's length (market conditions basis), within the case of exclusion pursuant to art. 2, lett. e) of Neurosoft Procedure for Transaction with Related Parties and in compliance with art. 7, lett. c) of Euronext Growth Milan Provisions on Related Party Transactions.

**General Outlook of Business Development**

Holding a leading position in the domestic ICT Infrastructure market, we have been targeting the Enterprise and Public Sector segments. Our value proposition has shifted from one-off Capex to recurring aaS revenue streams. Capitalizing on our participation in the Secure ID Document RFP we have opened a solid pipeline for Public Sector projects in Greece and Cyprus mainly in the Network Security and Cyber Security areas.

Our core Cyber offerings further developed in the existing customer base through up-selling activities but also x-selling with the Systems Engineering offering. In the maritime market, Angel having been certified by DNV, is now the cyber standard for the industry, confirming the rightness of our decision to partner with Navarino. Angel expanded from ship-to-shore covering all aspects of a modern shipping company.

Being pioneers in the Infrastructure-aaS market with EnterpriseLink (SD-WAN, Firewall and Network managed services) we have managed to on-board significant accounts in almost all vertical sectors. Our partnership with Telecom Service Providers created opportunities and brought additional revenue from the Enterprise market, while the forecast for 2022 is very promising.

In 2021 we managed to expand our country-wide field services outside the Opap flagship contract. New customers from the transportation and logistics sectors were on-boarded with long term contracts, while in parallel we are expanding rapidly in the retail and banking sectors.

**General Outlook of Offering Development**

The company's portfolio offers state-of-the-art solutions and services that practically address the entire range of the technology stack . Infrastructure (network, cloud, security), Cyber and Field services, enhancing the whole lifecycle of business operations from Design and Consulting to Support and Managed Services. Following the decision to spin off and sell the Fintech & Analytics Segment, the Company now focuses on ICT Infrastructure offering through E2E Managed Services.

The Cyber Security attack surface has never been more complex or challenging, and security has never been more critical for our customers. Our goal is to help every organization strengthen its security capabilities through our comprehensive solutions that span offensive – **RedyOps** – defensive - **Neutrify, Angel, Illicium** - and Compliance offerings. Beyond our products, our operational security posture and threat intelligence help customers defend themselves. The Company this year, introduced new capabilities with an OT Infrastructure Monitoring Service, enabling anyone in the Industrial Sector to start building on intelligence and security on OT network. Having completed the first version of the Defense suite the Company is starting the development of the next era being a “hybrid” Security Operation Centre (SOC) over multi-SIEM platforms. The process commenced in 2021Q4 and is expected to be commercially available in 2022Q2. On the assessment side, enhancement of RedyOps Labs and automation of the assessment process have been the main targets in 2021. Research findings have been introduced to the Defense services providing additional and unique value to the customers.

The key targets on the Systems Engineering offering evolution were for enhancing our Cloud and Cloud security portfolio and increasing efficiency through technology for our Field Services.

On Cloud the key targets are twofold: (i) engage into a multi-cloud proposition, starting with Azure and AWS, with Security being our competitive advantage against competition. The evolution will inevitably involve all current solution offerings, namely Systems, Networking and Cyber Security but also lead to the adoption of new manufacturers and solutions following swift technological enhancements. (ii) tighter integration between all verticals to enhance Customer Centricity especially for Operations Services with common factors like Security and Coverage, either with an element of Time (24x7) or Geographical coverage.

On Field Services, the aim is to leverage the scale and infrastructure already built, in order to increase market share focusing on segments with wide presence across Greece. Significant projects have been won in the business fields of Public Transportation and Automatic Parcel Locker (APL), currently serving the largest APL network. In the forthcoming period the Company will concentrate on the capitalization of the gained recognition, in order to achieve a successful market penetration in the Retail market and Banking sector and to further expand its business in the Transportation sector.

### **Auditor's opinion**

In our opinion, the separate and consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2021, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

It is specified that Neurosoft Separate and Consolidated Annual Financial Reports (including the results for its subsidiaries, (Daedalus Technologies FZCO, Neurosoft Cyprus Ltd and Neurosoft Romania S.r.l.) of Neurosoft S.A. on December 31<sup>st</sup>, 2021 will be available to the public in compliance with the terms and conditions required by the law, on the company's website [www.neurosoft.gr](http://www.neurosoft.gr).

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**Neurosoft S.A.**, a Greek company listed on the Euronext Growth Milan market, organized and managed by the Italian Stock Exchange (ISIN GRS802003004, Reuters NRST.MI, Bloomberg NRST:IM), was founded in 1994 with the vision to provide superior products, innovative solutions and exclusive services to its international clients. Neurosoft is a fully integrated ICT company with Field Services, Systems Integration and Cyber Security capabilities. The staff headcount exceeds 200+ highly skilled employees with deep experience in their field. The company is based in Athens with presence in Cyprus.

Business areas covered by Neurosoft: **Cyber Security:** Provision of high-end Cyber Security solutions and services and development of innovative security products. In a world of viruses, malwares, and hacktivists, Neurosoft has compiled a suite of practical and technologically advanced tools and methods to significantly enhance the protection of your mission-critical data. **Systems Engineering:** Design, implementation, operation and support of large-scale ICT infrastructure solutions for Operators of Critical Networks and Critical National Infrastructure Stakeholders. Our vast experience in complex projects makes Neurosoft the ideal partner for any ICT infrastructure requirement

The company is committed to client impact, continuous investments in R&D, innovation, adoption of advanced methodologies and well-known international standards (ISO9001 & 27001, ISO 14001, OWASP). It demonstrates a track record of successful local & international group (multi-country) installations & continuous technical support, always on time – on budget – on spec.

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

*Press release available on [www.neurosoft.gr](http://www.neurosoft.gr)*

For further information please contact:

**INVESTOR RELATIONS**

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**EURONEXT GROWTH ADVISOR**

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# STATEMENT OF FINANCIAL POSITION

|                               |      | GROUP      |                            | COMPANY    |                            |
|-------------------------------|------|------------|----------------------------|------------|----------------------------|
|                               | Note | 31.12.2021 | 31.12.2020<br>Restated (*) | 31.12.2021 | 31.12.2020<br>Restated (*) |
| ASSETS                        |      |            |                            |            |                            |
| Non-current assets            |      |            |                            |            |                            |
| Property, plant & equipment   | 6    | 396,068    | 479,123                    | 396,068    | 479,123                    |
| Right-of-use assets           | 7    | 709,927    | 913,666                    | 709,927    | 913,666                    |
| Intangible assets             | 8    | 821,584    | 2,033,206                  | 821,584    | 2,033,206                  |
| Goodwill                      | 9    | -          | 113,408                    | -          | -                          |
| Investments in subsidiaries   | 10   | -          | -                          | 242,930    | 398,799                    |
| Other non - current assets    | 11   | 87,125     | 93,025                     | 87,123     | 93,025                     |
|                               |      | 2,014,703  | 3,632,428                  | 2,257,632  | 3,917,820                  |
| Current assets                |      |            |                            |            |                            |
| Inventories                   | 12   | 382,689    | 147,484                    | 382,689    | 147,484                    |
| Trade receivables             | 13   | 4,468,969  | 4,115,743                  | 4,437,328  | 4,052,314                  |
| Other current assets          | 14   | 793,975    | 655,940                    | 874,044    | 577,585                    |
| Restricted cash               |      | 182        | 2,259                      | 182        | 2,259                      |
| Cash and cash equivalents     | 15   | 1,676,697  | 1,009,325                  | 1,647,393  | 989,903                    |
|                               |      | 7,322,510  | 5,930,751                  | 7,341,636  | 5,769,545                  |
| Total assets                  |      | 9,337,213  | 9,563,180                  | 9,599,268  | 9,687,365                  |
| EQUITY                        |      |            |                            |            |                            |
| Share capital                 | 16   | 3,965,612  | 8,954,608                  | 3,965,612  | 8,954,608                  |
| Share premium                 |      | 600,000    | 600,000                    | 600,000    | 600,000                    |
| Reserves                      | 17   | 377,638    | 373,272                    | 377,638    | 377,638                    |
| Retained earnings             |      | (877,935)  | (6,790,387)                | (589,265)  | (6,520,171)                |
| Total equity                  |      | 4,065,315  | 3,137,494                  | 4,353,985  | 3,412,075                  |
| LIABILITIES                   |      |            |                            |            |                            |
| Non-current liabilities       |      |            |                            |            |                            |
| Borrowings                    | 18   | 297,770    | 389,392                    | 297,770    | 389,392                    |
| Lease liabilities             | 7    | 395,913    | 586,118                    | 395,913    | 586,118                    |
| Deferred tax liabilities      | 19   | 165,683    | 394,212                    | 165,683    | 394,212                    |
| Employee benefit plans        | 20   | 49,865     | 135,292                    | 49,865     | 135,292                    |
| Other non-current liabilities |      | 68,265     | 137,601                    | 68,265     | 137,601                    |
|                               |      | 977,496    | 1,642,615                  | 977,496    | 1,642,615                  |
| Current liabilities           |      |            |                            |            |                            |
| Trade payables                | 21   | 1,898,383  | 1,757,824                  | 1,901,603  | 1,757,824                  |
| Borrowings                    | 18   | 191,622    | 371,622                    | 191,622    | 371,622                    |
| Lease liabilities             | 7    | 341,335    | 352,225                    | 341,335    | 352,225                    |
| Provisions                    | 22   | -          | 13,900                     | -          | 13,900                     |
| Income tax liabilities        | 29   | 54,336     | 54,336                     | 54,336     | 54,336                     |
| Other tax liabilities         | 23   | 680,424    | 775,352                    | 679,178    | 761,380                    |
| Other current liabilities     | 24   | 1,128,303  | 1,457,813                  | 1,099,715  | 1,321,388                  |
|                               |      | 4,294,402  | 4,783,071                  | 4,267,788  | 4,632,674                  |
| Total liabilities             |      | 5,271,898  | 6,425,686                  | 5,245,284  | 6,275,289                  |
| Total equity and liabilities  |      | 9,337,213  | 9,563,179                  | 9,599,268  | 9,687,364                  |

## STATEMENT OF COMPREHENSIVE INCOME

|                                                                       | Note | GROUP                      |                                            | COMPANY                    |                                            |
|-----------------------------------------------------------------------|------|----------------------------|--------------------------------------------|----------------------------|--------------------------------------------|
|                                                                       |      | 01.01.2021 -<br>31.12.2021 | 01.01.2020 -<br>31.12.2020<br>Restated (*) | 01.01.2021 -<br>31.12.2021 | 01.01.2020 -<br>31.12.2020<br>Restated (*) |
| Revenue                                                               | 5    | 15,761,441                 | 14,738,212                                 | 15,388,817                 | 14,659,907                                 |
| Cost of sales                                                         | 25   | (12,237,718)               | (14,092,707)                               | (11,981,322)               | (13,972,089)                               |
| <b>Gross profit</b>                                                   |      | <b>3,523,723</b>           | <b>645,505</b>                             | <b>3,407,495</b>           | <b>687,818</b>                             |
| Distribution expenses                                                 | 25   | (1,131,051)                | (1,265,170)                                | (1,104,412)                | (1,422,662)                                |
| Administrative expenses                                               | 25   | (2,120,721)                | (2,317,864)                                | (2,070,773)                | (2,294,367)                                |
| Impairment of investment in subsidiaries                              | 10   | -                          | -                                          | -                          | (300,000)                                  |
| Impairment of intangible assets                                       | 7    | -                          | (261,088)                                  | -                          | (261,088)                                  |
| Gain from disposal of subsidiaries                                    | 10   | 281,132                    | -                                          | 148,737                    | -                                          |
| Other income                                                          | 26   | 315,929                    | 137,111                                    | 317,929                    | 46,217                                     |
| Other gain / (losses)                                                 |      | 27,553                     | 316,454                                    | 33,857                     | 317,661                                    |
| <b>Operating Profit / (Loss)</b>                                      |      | <b>896,566</b>             | <b>(2,745,052)</b>                         | <b>732,833</b>             | <b>(3,226,421)</b>                         |
| Finance income                                                        | 27   | 98                         | 16,132                                     | 98                         | 16,132                                     |
| Finance expenses                                                      | 27   | (97,951)                   | (97,473)                                   | (91,942)                   | (93,458)                                   |
| <b>Profit / (Loss) before income tax</b>                              |      | <b>798,713</b>             | <b>(2,826,394)</b>                         | <b>640,989</b>             | <b>(3,303,748)</b>                         |
| Income tax                                                            | 29   | 98,971                     | 227,452                                    | 98,971                     | 227,452                                    |
| <b>Profit/(Loss) after tax</b>                                        |      | <b>897,684</b>             | <b>(2,598,942)</b>                         | <b>739,959</b>             | <b>(3,076,296)</b>                         |
| <b>Other comprehensive income</b>                                     |      |                            |                                            |                            |                                            |
| <b>Items that will not be reclassified to profit or loss:</b>         |      |                            |                                            |                            |                                            |
| Actuarial gains                                                       | 20   | 31,710                     | 1,229                                      | 31,710                     | 1,229                                      |
| Related tax                                                           | 29   | (5,939)                    | (295)                                      | (5,939)                    | (295)                                      |
| <b>Total items that will not be reclassified to profit or loss</b>    |      | <b>25,771</b>              | <b>934</b>                                 | <b>25,771</b>              | <b>934</b>                                 |
| <b>Items that may be reclassified subsequently to profit or loss:</b> |      |                            |                                            |                            |                                            |
| Exchange differences on translation of foreign operations             |      | 4,365                      | (4,365)                                    | -                          | -                                          |
| <b>Total items that may be reclassified to profit or loss</b>         |      | <b>4,365</b>               | <b>(4,365)</b>                             | <b>-</b>                   | <b>-</b>                                   |
| <b>Other comprehensive income / (loss) for the period, net of tax</b> |      | <b>30,136</b>              | <b>(3,431)</b>                             | <b>25,771</b>              | <b>934</b>                                 |
| <b>Total comprehensive income / (loss)</b>                            |      | <b>927,820</b>             | <b>(2,602,373)</b>                         | <b>765,731</b>             | <b>(3,075,362)</b>                         |
| <b>Profit / (Loss) for the period attributable to:</b>                |      |                            |                                            |                            |                                            |
| Equity holders of the parent                                          |      | 897,684                    | (2,598,942)                                | 739,959                    | (3,076,296)                                |
|                                                                       |      | <b>897,684</b>             | <b>(2,598,942)</b>                         | <b>739,959</b>             | <b>(3,076,296)</b>                         |
| <b>Total comprehensive income / (loss)</b>                            |      |                            |                                            |                            |                                            |
| Equity holders of the parent                                          |      | 927,820                    | (2,602,373)                                | 765,731                    | (3,075,362)                                |
|                                                                       |      | <b>927,820</b>             | <b>(2,602,373)</b>                         | <b>765,731</b>             | <b>(3,075,362)</b>                         |
| Total weighted number of ordinary shares                              |      | 25,584,594                 | 25,584,594                                 | 25,584,594                 | 25,584,594                                 |
| Adjusted weighted average number of ordinary shares                   |      | 25,584,594                 | 25,584,594                                 | 25,584,594                 | 25,584,594                                 |
| <b>Profit/(Loss) per share (basic and diluted)</b>                    |      | <b>0.0351</b>              | <b>(0.1016)</b>                            | <b>0.0289</b>              | <b>(0.1202)</b>                            |

# STATEMENT OF CHANGES IN EQUITY

## GROUP

|                                                                             | Note | Attributable to owners of the parent |               |          |                   | Total equity |
|-----------------------------------------------------------------------------|------|--------------------------------------|---------------|----------|-------------------|--------------|
|                                                                             |      | Share capital                        | Share premium | Reserves | Retained earnings |              |
| 1 January 2020                                                              |      | 8,954,608                            | 600,000       | 377,638  | (4,273,242)       | 5,659,005    |
| Change in accounting policy for retirement benefit obligations under IAS 19 | 2.3  | -                                    | -             | -        | 80,862            | 80,862       |
| 1 January 2020 - Restated (*)                                               |      | 8,954,608                            | 600,000       | 377,638  | (4,192,379)       | 5,739,867    |
| Net loss for the period                                                     |      | -                                    | -             | -        | (2,598,942)       | (2,598,942)  |
| Other comprehensive income                                                  |      | -                                    | -             | (4,365)  | 934               | (3,431)      |
| Total comprehensive loss for the period (net of tax)                        |      | -                                    | -             | (4,365)  | (2,598,008)       | (2,602,373)  |
| 31 December 2020                                                            |      | 8,954,608                            | 600,000       | 373,273  | (6,790,387)       | 3,137,494    |
| 1 January 2021                                                              |      | 8,954,608                            | 600,000       | 373,273  | (6,790,387)       | 3,137,494    |
| Net profit for the period                                                   |      | -                                    | -             | -        | 897,684           | 897,684      |
| Other comprehensive income                                                  |      | -                                    | -             | 4,365    | 25,771            | 30,136       |
| Total comprehensive income for the period (net of tax)                      |      | -                                    | -             | 4,365    | 923,455           | 927,820      |
| Share capital decrease                                                      | 16   | (4,988,996)                          | -             | -        | 4,988,996         | -            |
| 31 December 2021                                                            |      | 3,965,612                            | 600,000       | 377,638  | (877,936)         | 4,065,314    |

**Restricted**

**COMPANY**

|                                                                                   | Note | Share capital    | Share premium  | Reserves       | Retained earnings  | Total              |
|-----------------------------------------------------------------------------------|------|------------------|----------------|----------------|--------------------|--------------------|
| <b>1 January 2020</b>                                                             |      | <b>8,954,608</b> | <b>600,000</b> | <b>377,638</b> | <b>(3,525,671)</b> | <b>6,406,575</b>   |
| Change in accounting policy for retirement benefit obligations under IAS 19       | 2.3  | -                | -              | -              | 80,862             | 80,862             |
| <b>1 January 2020 - Restated (*)</b>                                              |      | <b>8,954,608</b> | <b>600,000</b> | <b>377,638</b> | <b>(3,444,809)</b> | <b>6,487,437</b>   |
| Net loss for the period                                                           |      | -                | -              | -              | (3,076,296)        | (3,076,296)        |
| Other comprehensive income                                                        |      | -                | -              | -              | 934                | 934                |
| <b>Total comprehensive loss for the period (net of tax)</b>                       |      | <b>-</b>         | <b>-</b>       | <b>-</b>       | <b>(3,075,362)</b> | <b>(3,075,362)</b> |
| <b>31 December 2020</b>                                                           |      | <b>8,954,608</b> | <b>600,000</b> | <b>377,638</b> | <b>(6,520,170)</b> | <b>3,412,076</b>   |
| <b>1 January 2021</b>                                                             |      | <b>8,954,608</b> | <b>600,000</b> | <b>377,638</b> | <b>(6,520,170)</b> | <b>3,412,076</b>   |
| Net income for the period                                                         |      | -                | -              | -              | 739,959            | 739,959            |
| Other comprehensive income                                                        |      | -                | -              | -              | 25,771             | 25,771             |
| <b>Total comprehensive income for the period (net of tax)</b>                     |      | <b>-</b>         | <b>-</b>       | <b>-</b>       | <b>765,731</b>     | <b>765,731</b>     |
| Transfer of accumulated loss of transitional period of spin-off of Fintech sector | 10   | -                | -              | -              | 176,179            | 176,179            |
| Share capital decrease                                                            | 16   | (4,988,996)      | -              | -              | 4,988,996          | -                  |
| <b>31 December 2021</b>                                                           |      | <b>3,965,612</b> | <b>600,000</b> | <b>377,638</b> | <b>(589,265)</b>   | <b>4,353,985</b>   |

# CASH FLOW STATEMENT

|                                                                       | Note  | GROUP                      |                                          | COMPANY                  |                                            |
|-----------------------------------------------------------------------|-------|----------------------------|------------------------------------------|--------------------------|--------------------------------------------|
|                                                                       |       | 01.01.2021 -<br>31.12.2021 | 01.01.2020<br>31.12.2020<br>Restated (*) | 01.01.2021<br>31.12.2021 | 01.01.2020 -<br>31.12.2020<br>Restated (*) |
| <b>Operating activities</b>                                           |       |                            |                                          |                          |                                            |
| Profit/(Loss) before tax                                              |       | 798,713                    | (2,826,394)                              | 640,989                  | (3,303,748)                                |
| Adjustments for:                                                      |       |                            |                                          |                          |                                            |
| Depreciation and amortization                                         | 6,7,8 | 1,461,952                  | 1,585,615                                | 1,314,176                | 1,585,615                                  |
| Impairment of investment in subsidiaries                              | 10    | -                          | -                                        | -                        | 300,000                                    |
| Impairment of intangible assets                                       |       | -                          | 261,088                                  | -                        | 261,088                                    |
| Impairment of inventory                                               |       | -                          | 552,118                                  | -                        | 552,118                                    |
| Provisions for doubtful debts                                         |       | -                          | 29,016                                   | -                        | 199,273                                    |
| Gain from disposal of subsidiary                                      |       | (281,132)                  | -                                        | (148,737)                | -                                          |
| Employee benefit plans                                                |       | 32,737                     | 113,599                                  | 30,778                   | 113,599                                    |
| Gain from government grants                                           |       | (74,089)                   | -                                        | (74,089)                 | -                                          |
| Net finance expenses                                                  | 27    | 97,853                     | 81,341                                   | 91,844                   | 77,327                                     |
| Provisions for legal cases                                            |       | (13,900)                   | 13,900                                   | (13,900)                 | 13,900                                     |
| Rent concessions                                                      |       | (22,991)                   | (24,255)                                 | (22,991)                 | (24,255)                                   |
| Gain on early termination of leases                                   |       | -                          | (2,780)                                  | -                        | (2,780)                                    |
| Loss on write-offs of property, plant and equipment                   |       | -                          | -                                        | -                        | -                                          |
| Other movements relating to leases                                    |       | 3,225                      | 3,006                                    | 3,225                    | 3,006                                      |
| <b>Changes in working capital:</b>                                    |       |                            |                                          |                          |                                            |
| Decrease / (Increase) in inventories                                  |       | (235,205)                  | 114,784                                  | (235,205)                | 114,784                                    |
| Decrease / (increase) in receivables                                  |       | (490,747)                  | 29,094                                   | (530,663)                | 103,136                                    |
| (Decrease) / increase in payables                                     |       | (37,208)                   | (37,158)                                 | 172,255                  | 76,429                                     |
| Payment for staff indemnity                                           | 20    | (26,672)                   | (86,494)                                 | (26,672)                 | (86,494)                                   |
| <b>Less:</b>                                                          |       |                            |                                          |                          |                                            |
| Interest and other finance expenses paid                              |       | (103,808)                  | (94,736)                                 | (97,799)                 | (90,721)                                   |
| <b>Net cash flows generated from / (used in) operating activities</b> |       | <b>1,108,727</b>           | <b>(288,257)</b>                         | <b>1,103,212</b>         | <b>(107,722)</b>                           |
| <b>Investing activities</b>                                           |       |                            |                                          |                          |                                            |
| Additional consideration for the acquisition of subsidiary            |       | -                          | (20,000)                                 | -                        | (20,000)                                   |
| Share capital increase of subsidiary                                  | 10    | -                          | -                                        | -                        | (70,000)                                   |
| Proceeds from sale of subsidiary                                      |       | 482,060                    | -                                        | 482,060                  | -                                          |
| Purchase of property, plant and equipment and intangible assets       | 6.7   | (268,789)                  | (247,241)                                | (268,789)                | (247,241)                                  |
| Cash acquired on acquisition of subsidiary                            |       | -                          | 6,140                                    | -                        | -                                          |
| Interest received                                                     |       | 98                         | 261                                      | 98                       | 261                                        |
| <b>Net cash flows used in investing activities</b>                    |       | <b>213,369</b>             | <b>(260,840)</b>                         | <b>213,369</b>           | <b>(336,980)</b>                           |
| <b>Financing activities</b>                                           |       |                            |                                          |                          |                                            |
| Repayments of borrowings                                              |       | (271,622)                  | (91,622)                                 | (271,622)                | (91,622)                                   |
| Repayment of lease liabilities                                        |       | (387,469)                  | (356,494)                                | (387,469)                | (356,494)                                  |
| Receipt of repayable state cash advance                               |       | -                          | 150,774                                  | -                        | 150,774                                    |
| <b>Net cash flows used in financing activities</b>                    |       | <b>(659,091)</b>           | <b>(297,342)</b>                         | <b>(659,091)</b>         | <b>(297,342)</b>                           |
| <b>Net decrease in cash and cash equivalents</b>                      |       | <b>663,005</b>             | <b>(846,439)</b>                         | <b>657,490</b>           | <b>(742,044)</b>                           |
| <b>Cash and cash equivalents at beginning of period</b>               |       | <b>1,009,325</b>           | <b>1,860,130</b>                         | <b>989,903</b>           | <b>1,731,947</b>                           |
| Effects of exchange rate changes on cash and cash equivalents         |       | 4,365                      | (4,366)                                  | -                        | -                                          |
| <b>Cash and cash equivalents at the end of the period</b>             |       | <b>1,676,696</b>           | <b>1,009,325</b>                         | <b>1,647,393</b>         | <b>989,903</b>                             |