

Profile Group: Significant domestic and international increase of key figures in 2023 – revenues € 30.1 mil up by 20%

Athens, 12 April 2024: Profile Group has reported its financial results for 2023, which show strong growth both domestically and internationally for a sixth consecutive year, with a significant increase in sales and profitability of 20%.

During the year, new agreements were closed with 45 organisations, in 12 different countries, which generated new sales from software licenses, subscriptions, services and projects, while the backlog and recurring revenues for the next three years stand at € 120 million.

At a consolidated level, from continuing operations, the revenues of the Profile Group marked an increase of 20% and amounted to € 30.1 million compared to € 25,0 million in the corresponding period of 2022. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) amounted to € 7.33 million compared to € 6.20 million in 2022, Profit before Taxes increased by 34% to € 5.13 million from € 3.83 million, while Profits after Tax increased by 18% to € 3.85 million from € 3.27 million.

It is noted that the adjusted EBITDA of the Profile Group (without the impact of extraordinary and non-recurring items, such as the accounting of the stock options, goodwill impairment and provisions according to IFRS-9), amounted to € 8.48 million in 2023 from € 6.84 million in the corresponding period of 2022 and increased by 24%.

Accordingly, the adjusted Profits after Tax (excluding the aforementioned extraordinary and non-recurring items, as well as the amortisation of intangible assets of the acquired companies) amounted to € 5.45 million from € 4.47 million, increased by 21%.

The Group's liquidity remained at satisfactory levels, with total cash at the end of the year 2023 at € 12.2 million. In addition, Profile Group maintained its financial strength, with a debt/equity ratio of 19% and a general liquidity ratio of 1.6x, as a result of the effective management of working capital, ensuring seamless financing of the Group's investment plan, in spite of challenges of the volatile economic environment.

During the past year, the Group launched numerous new solutions and updates of existing ones, which lead to the assignment of new projects by large financial organisations abroad, the committed engagement of existing clients, as well as to the undertaking of large-scale projects for the Public sector, where there are very important growth prospects of the Group's key figures in the coming years.

Profile Group received new distinctions both at Group and solutions' level. In particular, at the Group level, it was awarded at the "Digital Finance Awards" as Digital Banking Provider of the Year, at the "Bite Awards" for the Significant Growth in recent years, and at the "Chrma Business Awards" for Business Innovation.

In addition, at the solutions' level, the Group received significant distinctions for the **Investment Management (Axia)** and **Digital Banking (Finuevo)** solutions from analysts and organisations such as Gartner, Forrester, IBS Intelligence, Digital Finance Awards, Finance Derivative, International Investor, International Business Magazine and Fund Awards.

At the product level, the Group promoted the Digital and Core Banking solutions as SaaS through Amazon Web Services (AWS) enabling clients to benefit from the power of the cloud to entirely transform their banking operations.

At the same time, Profile Centevo, a member of Profile Group, launched the upgraded Centevo Suite platform. Moreover, it implemented SWIFT connectivity with AWS, achieving a significant milestone, and strengthening its market position. Furthermore, it completed the transition to an independent solution and migration to the cloud of AWS.

With respect to the activity in the Public Sector, various projects are under implementation, among others, My TEKA App of the new TEKA Fund, the Remote-trials for the Ministry of Justice, the Integrated Portal for AADE (Independent Public Revenue Authority), the digitisation of the borrowers' files for Deposits and Loans Fund, the National Pet Registry for the Ministry of the Interior, the e-school for the Ministry of Education, the digitisation of files for the Ministry of Migration and Asylum, the digitisation of Mortgage Registers for the National Land Registry, the recording of minutes for the Ministry of Justice, etc.

The strong and healthy financial position of the Profile Group allows for the seamless implementation of its investment plan, aimed at further development of financial sector solutions, as well as strengthening its presence in complex and large-scale projects for the Greek Public sector, as well as the further utilisation of artificial intelligence (AI). Particularly, the new AI.Adaptive solution, which is functional with the Group's Fintech platforms, is the next step in the Group's development roadmaps.

Considering the aforementioned, the Management of the Profile Group estimates that as long as the general geopolitical and macroeconomic conditions are not deteriorated, its growth is expected to further accelerate significantly in 2024, aiming to doubling the key figures within the next three years.

STATEMENT OF FINANCIAL POSITION (in €)

	Group	
	31.12.2023	31.12.2022
Assets		
<u>Non-current assets</u>		
Tangible	4.974.698	4.548.444
Right -of-use assets	880.072	991.210
Goodwill	2.075.901	2.367.489
Intangible	12.120.012	10.150.308
Other non-current assets	174.404	174.588
Deferred tax assets	344.150	370.151
Total	20.569.237	18.602.190
<u>Current assets</u>		
Inventories	919.536	92.922
Trade receivables	11.634.042	5.831.082
Other receivables	9.700.306	7.933.088
Prepayments	764.412	559.696
Short term investments	4.887.098	3.998.177
Cash & Banks	7.319.937	10.155.828
Total	35.225.331	28.570.793
Total assets	55.794.568	47.172.983
<u>Shareholders' equity</u>		
Share capital	5.654.883	5.606.893
Share premium reserve	2.830.467	2.701.104
Treasury shares	(313.622)	(1.167.098)
Reserves	14.098.509	12.261.998
Retained earnings	9.724.440	8.578.530
Total	31.994.677	27.981.427
Minority interests	(109.226)	(108.396)
Total Shareholders' equity	31.885.451	27.873.031
<u>non-current liabilities</u>		
Long term bank loans	571.430	2.142.857
Provision for employees' indemnities	722.868	744.960
Subsidies	221.119	216.000
Lease liabilities	854.768	958.377
Deferred tax liability	60.663	78.496
Other provisions	52.259	70.018
Total	2.483.107	4.210.708
<u>Current liabilities</u>		
Short term bank loans	5.571.848	4.521.552
Trade payables	3.715.464	1.979.630
Other payables	9.049.911	6.578.027
Lease liabilities	81.841	83.960
Social Security and other tax liabilities	1.588.669	1.165.380
Taxes payable	1.418.277	760.695
Total	21.426.010	15.089.244
Total Equity & liabilities	55.794.568	47.172.983

STATEMENT OF PROFIT & LOSS (in €)

	Group	
	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
Sales	30.098.419	25.035.221
less: Cost of Sales	(15.520.654)	(13.315.539)
Gross profit	14.577.765	11.719.682
Other operating income	932.479	1.193.169
Sales & Marketing expenses	(3.997.982)	(3.417.390)
General & Administration expenses	(2.482.599)	(2.287.910)
Research & Development expenses	(2.668.070)	(2.663.375)
Other operating expenses	(989.632)	(388.423)
Operating profit (Ebit)	5.371.961	4.155.753
Financial income / (expenses)	(237.397)	(329.146)
Earning before taxes from continuing operations	5.134.564	3.826.607
Income taxes	(1.282.302)	(560.259)
Earnings after taxes from continuing operations (a)	3.852.262	3.266.348
Earnings after taxes from discontinued operations (b)	0	1.089.419
Earnings after taxes (continuing and discontinued operations) (a) + (b)	3.852.262	4.355.767
Minority interests	761	(2.252)
Net profits for the Group (continuing operations)	3.853.023	3.264.096
Net profits for the Group (discontinued operations)	0	1.089.419
<i>add back Depreciation & Amortization</i>	<i>1.954.796</i>	<i>2.046.522</i>
Earnings before Interest, Taxes, Depreciation & Amortization (Ebitda)	7.326.757	6.202.275
Other comprehensive income		
Items not reclassified in the P&L in the future		
Foreign exchange differences from consolidation of foreign subsidiaries	(206.037)	(191.180)
Recalculation of Employees indemnities provision	(19.168)	(56.242)
Income taxes on other incomes not to be reclassified	4.217	12.373
Other comprehensive income after taxes (c)	(220.988)	(235.049)
Comprehensive profits after taxes (a+b+c)	3.631.274	4.120.718
assigned to Group shareholders	3.632.104	4.118.487
Minority interests	(830)	2.231
Basic earnings per share from continuing operations	0,1581	0,1371
Basic earnings per share from discontinued operations	-	0,0458
Diluted earnings per share from continuing operations	0,1559	0,1350
Diluted earnings per share from discontinued operations	-	0,0451

STATEMENT OF CASH FLOWS (in €)

	Group	
	01.01.2023- 31.12.2023	01.01.2022- 31.12.2022
Cash flows from Operating activities		
Earnings before taxes from continuing operations	5.134.564	3.826.607
Earnings before taxes from discontinued operations	-	1.396.691
add/minus adjustments for:		
Depreciation & Amortization	1.954.796	2.118.752
Provisions	679.280	410.155
Reserve from issue of stock options	211.187	306.854
Non cash (income) / expenses	(134.576)	(30.888)
Investing activities (gains) / losses	(55.858)	(1.542.768)
Foreign exchange (gains) / losses	(338.245)	180.041
Financial expenses	406.064	192.898
Operating profit before working capital changes	7.857.212	6.858.342
add/minus adjustments for changes in working capital		
Decrease / (increase) of Inventories	(826.614)	(8.403)
Decrease / (increase) of Receivables	(8.029.023)	(3.747.795)
(Decrease) / increase of liabilities (except bank loans)	4.542.286	352.700
less:		
Paid Employees indemnities	(97.558)	(148.528)
Paid Financial expenses	(753.332)	(418.184)
Paid Taxes	(637.567)	(343.741)
Total cash inflows / (outflows) from Operating activities (a)	2.055.404	2.544.391
Investment activities		
Acquisitions of Subsidiaries	-	-
Short term Investments in securities, JV	(2.263.731)	(1.883.441)
Purchase of Tangible & Intangible fixed assets	(4.005.280)	(4.389.725)
Proceeds from sale of property, plant, equipment and intangible assets	-	2.158.905
Proceeds from sales of tangible & intangible assets	-	-
Interest received	380.817	242.087
Dividends received	-	16.113
Proceeds from Short term Investments in securities	1.429.878	945.887
Total cash inflows / (outflows) from Investing activities (b)	(4.458.316)	(2.910.174)
Financial activities		
Share Capital Increase	177.353	297.469
Acquisition/Sale of treasury shares	999.939	(1.023.953)
New bank loans	-	500.000
Dividends paid	(337.744)	(770.000)
Repayments of lease liabilities	(975.110)	(373.407)
Subsidies	149.708	169.510
Bank loans repayments	(571.428)	(785.714)
Total cash inflows / (outflows) from Financial activities (c)	(557.282)	(1.986.095)
Net increase / (decrease) in Cash & equivalents for the period (a) + (b) + (c)	(2.960.194)	(2.351.878)
Cash & equivalents at the beginning of the period	10.155.828	12.612.093
Foreign exchange gains / (losses) on cash & equivalents	124.293	(104.387)
Cash & equivalents at the end of the period	7.319.927	10.155.828