



Profile Software

(PRFr.AT / PROF GA)

**Riding the wave of FinTech revolution;
A leading innovative Financial Services Provider**

The FinTech innovation undergoes profound disruption, from payments and lending, to investment and money management, shaping the future of the financial landscape.

Profile Software is a leading international solutions provider for the **Banking** and **Investment Management industries**, with presence in Europe, the Middle East, the US, Asia and Africa, **delivering its own innovative agile products for the past 30 years**, traditionally investing 20% of its revenues into R&D. Digital transformation of the financial industry drives investments and M&A activity in the decade, with the Company establishing a **Technology Hub** at Thessaloniki, to promote new technologies and products, with **IoT, AI, ML, big data analytics and blockchain among the innovations that will drive changes ahead.**

Organic growth and bolt-on acquisitions will be the key drivers of growth ahead, as EU support programs in Greece offer upside optionality. We expect **revenue and adj. EBITDA CAGR 20-26 of c20% and 17% respectively**, with revenues from public sector accounting for 41% of total by the end of 2026. Historically, the Company has enjoyed **high EBITDA margins** close to 30%, with **more than 60% of its revenues generated abroad**. Moreover, **high recurring revenue close to 65%, high client retention rates and average free cash flow conversion rates of c60% of EBITDA in the 2022-29 period**, enable positioning into niche markets and geographies such as the Nordics or the East Med.

Advancements in the FinTech space and M&A activity have pushed equity performance and valuation multiples higher, with **Profile Software** outperforming its international peers since 2018, while its adj. EV/EBITDA 22e multiple of c10.0x implies a c35-40% discount on average vs its EU (16.7x) and US (15.3x) peers.

A blended valuation exercise through a DCF method and an EV/adj. EBITDA '22 target multiple approach, would result in an indicative intrinsic value of around €107mn or €8.80 per share, adjusting for treasury shares, if one assumes no additional bolt-on acquisitions and normalized contribution from the public sector in the coming years. However, as opportunities exist and innovations are happening at lightning speed, **a bolt-on acquisition could add c€0.90-€1.10 per share on the equity value**. Furthermore, as Greece will enjoy increased inflow of investments in the coming years to become a Technology Hub, Profile Software' **success into undertaking projects from the public sector could further add c€0.30-€0.60 per share, with the indicative equity value surpassing the €120mn threshold.**

Profile Software could become a **key enabler** of financial innovation in the financial services space, with its **strong financial position** and its recent acquisitions (Login (2017), Euronext Centevo (2021)) preparing for the next phase of the FinTech super cycle.

Equity Research | Greece

IT Services | Sponsored Research

Profile Software			
Market cap. (€mn)	79.5	Share Price	€ 6.62
Shares outst. (mn)	12.0		
Bloomberg	PROF GA		
Reuters	PRFr.AT		

Material Change

Valuation	2019a	2020a	2021e	2022e	2023e
P/E	43.4x	86.2x	39.4x	32.3x	23.3x
P/E (adj.) *	43.4x	48.9x	32.1x	24.6x	20.5x
P/BV	4.0x	3.6x	3.1x	3.0x	2.7x
EV/EBITDA	15.6x	16.0x	13.0x	10.3x	8.2x
EV/EBITDA (adj.) *	15.6x	14.7x	12.5x	10.0x	8.2x
FCF yield	-0.3%	6.2%	-3.7%	5.3%	3.7%

* adjusted for stock options and acquired entities PP&A effects

Per share	2019a	2020a	2021e	2022e	2023e
EPS	0.15	0.08	0.17	0.20	0.28
BVPS	1.64	1.82	2.11	2.24	2.43
DPS (inc cap. returns)	0.08	0.10	0.07	0.07	0.10

BS data (€mn)	2019a	2020a	2021e	2022e	2023e
Sh. Equity	19.8	22.1	25.6	27.2	29.5
Net debt	(10.5)	(11.3)	(7.9)	(11.3)	(13.1)

P&L data (€mn)	2019a	2020a	2021e	2022e	2023e
Revenues	15.8	15.0	20.1	24.5	30.2
EBITDA	4.3	4.2	5.5	6.7	8.3
EBITDA (adj.) *	4.3	4.6	5.7	6.9	8.3
EBIT	2.1	1.9	2.6	3.5	4.7
Net income	1.8	0.9	2.0	2.5	3.5
Net income (adj.) *	1.8	1.6	2.5	3.3	4.0

* adjusted for stock options and acquired entities PP&A effects

Performance	1m	3m	6m	12m	YTD
Absolute	+16%	+18%	+40%	+28%	+10%
Relative	+9%	+14%	+28%	+10%	+5%

* Price data as of Jan 24, before the market opening

Source: AF Research, Refinitiv, Bloomberg

Ioannis E. Noikokyraakis

ioannis.noikokyraakis@alphafinance.gr

T +30 210 367 7543

Profile Software

Year End	2020	2021	2022	2023	2024
	act	est	est	est	est
Income Statement (€mn)					
Revenues	15.0	20.1	24.5	30.2	41.2
EBITDA	4.2	5.5	6.7	8.3	10.8
EBITDA Adj.	4.6	5.7	6.9	8.3	10.8
Depreciation	2.4	2.9	3.2	3.5	3.5
EBIT	1.9	2.6	3.5	4.7	7.3
Net Interest Expense	(0.6)	0.1	(0.2)	(0.2)	(0.2)
EBT	1.3	2.7	3.3	4.6	7.1
Minorities	(0.0)	0.0	0.0	0.0	0.0
Taxes	(0.3)	(0.7)	(0.8)	(1.1)	(1.3)
EATam	0.9	2.0	2.5	3.5	5.8
EATam Adj.	1.6	2.5	3.3	4.0	6.2

Balance Sheet (€mn)

Cash & cash equivalents	16.0	15.4	18.4	20.2	23.9
Tangible / Intangible assets	10.0	12.8	12.6	12.9	12.9
Other assets	7.6	10.4	10.4	10.4	10.4
Inventories	0.1	0.1	0.3	0.5	0.7
Trade receivables	3.7	5.3	6.4	8.3	12.9
Total assets	37.3	44.0	48.1	52.2	60.9
Debt (inc leases)	4.7	7.5	7.1	7.1	7.1
Net Debt	(11.3)	(7.9)	(11.3)	(13.1)	(16.9)
Trade payables (Trade payables)	8.6	8.0	11.0	12.8	17.7
L/T liabilities	2.1	3.0	3.0	3.0	3.0
Equity	22.1	25.6	27.2	29.5	33.2
Total equity and liabilities	37.3	44.0	48.1	52.2	60.9

Cash Flow (€mn)

CFO	2.6	2.8	7.3	6.8	9.4
Capex (Gross) *	2.4	5.7	3.0	3.8	3.5
WC Change	(0.1)	(2.1)	1.6	(0.2)	0.0
FCF *	4.9	(2.9)	4.3	3.0	5.8

* For the year 2021, Capex and FCF are burdened from the acquisition of Centevo (€4mn)

Per Share

EPS	0.08	0.17	0.20	0.28	0.47
DPS	0.10	0.07	0.07	0.10	0.16
BV	1.82	2.11	2.24	2.43	2.74
FCF	0.11	(0.20)	0.41	0.29	0.51

Graph



Source: AF Research, Refinitiv, Bloomberg

ESG Metrics

Overall ESG Score	-
Environmental	-
Social	-
Governance	-
Controversies	-

Source: Refinitiv

Note: Please refer for detailed Score in Appendix

Alpha Finance Research

Profile Software

Year End	2020	2021	2022	2023	2024
	act	est	est	est	est
Income Statement yoy (%)					
Revenues	-5%	33%	22%	23%	36%
EBITDA	-3%	31%	21%	24%	31%
EBITDA Adj.	6%	25%	20%	21%	30%
Depreciation	5%	23%	10%	11%	-1%
EBIT	-11%	41%	34%	36%	55%
Net Financials	-	-	-	-2%	1%
EBT	-49%	115%	22%	38%	57%
Minorities	-	-	-	-	-
Taxes	-48%	94%	20%	33%	21%
EATam	-49%	123%	23%	40%	68%
EATam Adj.	-9%	55%	32%	21%	57%

Margins (%)

EBITDA Margin	28.0%	27.5%	27.2%	27.4%	26.3%
EBITDA Adj. Margin	30.6%	28.6%	28.0%	27.6%	26.3%
EBIT Margin	12.3%	13.0%	14.2%	15.7%	17.8%
EATam Margin	6.0%	10.1%	10.1%	11.5%	14.2%
EATam Adj. Margin	10.6%	12.4%	13.3%	13.1%	15.0%

Margins (yoy change, bps)

EBITDA Margin	+47	-54	-30	+20	-110
EBITDA Adj. Margin	+301	-194	-63	-38	-133
EBIT Margin	-90	+68	+120	+150	+210
EATam Margin	-518	+404	+7	+140	+265
EATam Adj. Margin	-58	+173	+95	-23	+194

Leverage

Net Debt / Equity	- 0.5 x	- 0.3 x	- 0.4 x	- 0.4 x	- 0.5 x
Net Debt / Capital	- 0.4 x	- 0.2 x	- 0.3 x	- 0.4 x	- 0.4 x
Net Debt / EBITDA Adj.	- 2.5 x	- 1.4 x	- 1.6 x	- 1.6 x	- 1.6 x
Interest Covered	3.1 x	- 30.1 x	18.5 x	25.7 x	39.2 x

Performance (%)

RoE (avg.)	4.4%	8.5%	9.5%	12.3%	18.7%
RoIC	12.6%	11.2%	16.7%	22.3%	36.9%
RoA	2.4%	4.6%	5.2%	6.7%	9.6%

Valuation Metrics

P/Ex	86.2	39.4	32.3	23.3	14.1
P/Ex (adj.)	48.9	32.1	24.6	20.5	13.3
P/BVx	3.6 x	3.1 x	3.0 x	2.7 x	2.4 x
EV/EBITDA	16.0 x	13.0 x	10.3 x	8.2 x	6.0 x
EV/EBITDA Adj.	14.7 x	12.5 x	10.0 x	8.2 x	6.0 x
EV/ Revenues	4.5 x	3.6 x	2.8 x	2.3 x	1.6 x
FCF Yield (%)	6.2%	-3.7%	5.3%	3.7%	7.1%
Dividend Yield (%)	1.4%	1.0%	1.1%	1.5%	2.5%
Div. Payout Ratio (%)	32.5%	40.0%	35.0%	35.0%	35.0%

What's Changed

Rating	-	From	-
Risk	-	From	-
Target Price	-	From	-
Forward EPS	-	From	-

Company Info

Share Price	€ 6.62
Market Cap (mn)	€ 79.53
Ticker (Bloomberg)	PROF GA
Ticker (Reuters)	PRFr.AT
Free Float	54%
Sector	Crowe
Auditor	

Company Description

Profile Software is a financial software provider for the modern Banking, Treasury, Risk, Fintech and Investment Management Industries, founded in 1990, with a presence in more than forty countries, listed on the Athens Stock Exchange since 2003.

Contents

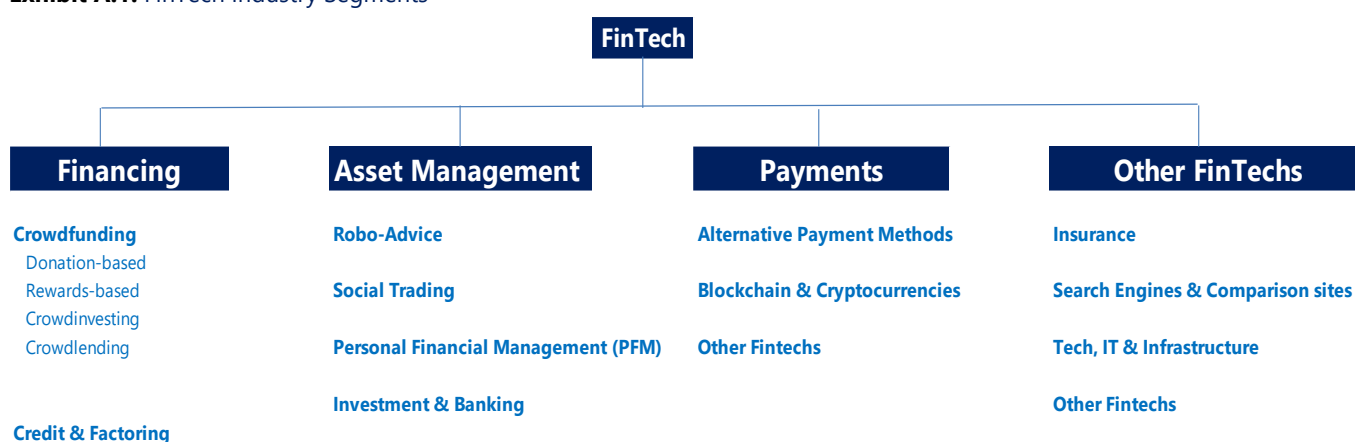
Please click on a section to be redirected to the relevant page

A. Digital transformation in Financial Services:	4
A new era in FinTech : The case for Profile Software	4
Profile Software in the new Financial Services (FS) era	5
How could Profile Software benefit from this digital investment cycle?	7
B. FinTech evolution: Trends in Greece and abroad; The case for Profile Software	9
C. Valuation	12
Relative valuation of Profile Software;	
Validating the Relative valuation	
How can Profile Software increase its footprint and become a leading global disruptor?	
D. Shareholder Structure, ESG & Corporate Governance, Remuneration Policy	16
Appendix 1. Financials	17
Appendix 2. DCF Model valuation, Sensitivity analysis	19
Appendix 3. Relative valuation – Peers	20
Appendix 4. ESG Scores	22
Appendix 5. Product Portfolio	23

A. Digital transformation in Financial Services: A new era in FinTech : The case for Profile Software

Technology innovation has traditionally attracted global attention but has experienced growth over the past few years that accelerated during the pandemic, disrupting the financial services (FS) industry. **FinTech** delivers innovative technology-enabled¹ financial services that result in new business models, applications, processes or products, transforming the way financial businesses operate, collaborate and transact with their customers, regulators and others in the industry. FinTechs are creating new customer-centric ways through software such as **online banking, mobile payment apps, peer-to-peer (P2P) or marketplace lending, crowdfunding, Personal/Wealth finance, robotic process automation (RPA)/robo-advice, wealth technology (WealthTech), insurance technology (InsurTech), Cybeseurity, Biometrics, Analytics, Mobile e-commerce** or even **cryptocurrency**. Furthermore, **artificial intelligence (AI) / Machine Learning (ML), Augmented Reality (AR), Internet of Things (IoT), Cloud infrastructure/services** and **Distributed Ledged technology (DLT) - Blockchain Technology** are transforming wholesale markets in areas such as financial market **trading (TradeTech), regulatory (RegTech)** and **supervisory technology**. FinTech industry can broadly be divided into four major segments², based on their distinctive business models, as shown in **Exhibit A.1**.

Exhibit A.1. FinTech Industry Segments



Source: Dorfleitner (2017), AF Research

Traditional financial service companies make digital transformation and modernization their strategic priority, increasing their digitization investments on internal processes and customer offerings, as FinTechs and Big Technology firms quickly deliver a range of interaction products and services. Indeed, service providers rely on a core set of common data and technology systems, including **Data Analytics (Big data), application programming interfaces (API), mobile delivery** and **on-demand services** to achieve competitive advantages. Furthermore, the widespread use of smartphones and improved authentication methods has allowed remote access of services that previously required face-to-face authentication. Benefits include expanding access to financial services, reducing transaction costs while enabling a better control over spending and budgeting, reaching underserved customers, offering greater convenience and efficiency while achieving increased product and sales personalization. These innovations streamline operations and increase cost efficiencies as the end client and workforce enjoy improved experience.

FinTech is thus increasingly used in a variety of financial areas, from retail-oriented services to capital market and financial infrastructure, with traditional financial institutions depending on tech firms to acquire critical infrastructure and differentiating technologies. The **EU adopted a FinTech action plan** in 2018 to increase convergence towards technological innovation and prepare the EU financial sector to benefit from new technologies. The **new PSD³** EU regulation and **open banking** is evident of the increasing importance of Application Program Interfaces (**APIs**), while the migration/hybrid use of core systems to the **cloud-based infrastructure** allows for features and services that promote greater security and have higher degree of operational

¹ **FinTech by Technology:** Application programming (API), Artificial intelligence (AI), block chain, Robotic process automation (RPA), Data analytics, chatbots and others;

FinTech by End user: Banking, Investment Management, Insurance, Securities;

FinTech by Segment: Mainly four categories including Financing/Capital Markets, Wealth/Asset Management, Payments (Money transfers), Other Fintechs such as RegTech: risk, regulatory compliance, audit, InsurTech

² **Dorfleitner** et al (2017)

³ **PSD:** Payment Service Providers Directive

resilience when compared to traditional practices. Technology is facilitating the **unbundling of many services** that have traditionally been offered by banking institutions and financial conglomerates. The relationship between incumbent financial institutions and FinTech firms is largely complementary and cooperative. **FinTechs, however, change the basis of competition in financial services and challenge the traditional business models applying in different sectors.** Rapid advances in financial technology and innovation will continue to drive the growth ahead, as **Artificial Intelligence** and **Blockchain Technologies** are considered among the critical and most influential technologies going forward.

According to several studies, global FinTech investments are forecasted to reach \$161.2bn by 2026, growing at a CAGR21-26 of 8.7%, targeting c\$698bn by 2030, which translates to a CAGR21-30 of 20.3%, after having jumped from the lows of \$4bn in 2013, to c\$15bn in 2015, reaching \$55.3bn in 2019 and \$110.57bn in 2020. The APAC region is expected to continue enjoying the highest growth in the 2021-30 period, followed by North America. As several European countries dominate the Global 2020 Innovation Index (such as Switzerland, Netherland, Nordic countries), the corporate environment is suitable for growth and technology development in the coming years.

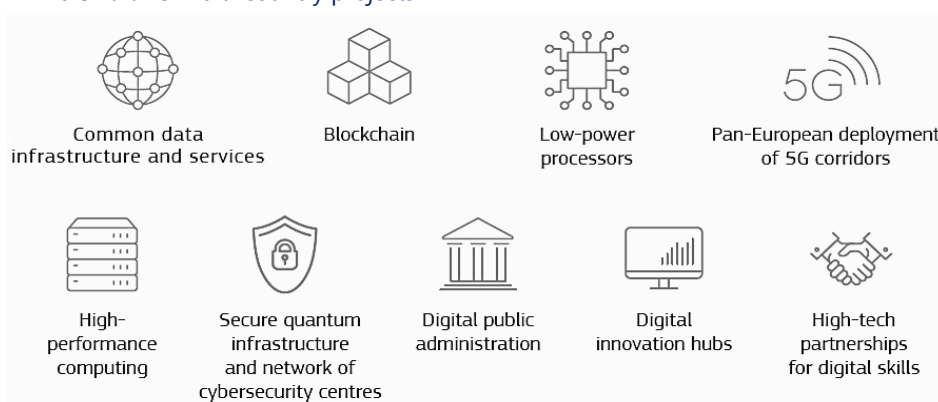
Profile Software in the new Financial Services (FS) era

Finance undergoes a profound transformation, with digital technologies reshaping payments, lending, insurance and wealth management. **Profile Software**, founded in 1990 and listed in the Athens Stock Exchange since 2003, has been a leading international solutions provider for the **Banking** and **Investment Management industries**, with presence in Europe, the Middle East, the US, Asia and Africa. Offices are located in key financials centers, namely: London, Paris, Stockholm, Sweden, Oslo, Norway, Dubai, UAE, Singapore, Miami, Greece and Cyprus.

Profile Software has been delivering its own innovative agile products (BPO, SaaS)⁴ for the past 30 years in a demanding marketplace. It has delivered the **first mobile application for Wealth Managers**, the **first marketplace lending system that combines banking, treasury, risk and investment management** functionality in a **fully customized environment**, while it has fully incorporated **cloud technology** into its products, combining **AI tools**, in line with new technological solutions, adhering at the same time to **high industry ISO standards**.

The Company traditionally invests into R&D, approximately 20% of its annual revenues, as competition among tech giants, tech startups and the finance industry for talent acquisition (developers, software engineers, data scientists etc.) and technology advances has intensified. To this end, Profile Software invested c€5mn to establish **Profile Technologies SA at Thessaloniki**, aiming to become a **Development Technology Hub in SE Europe**. Adaptiveness and dynamic adjustments on Financial Sector changes from Regulators, as well as talent management, are crucial. Furthermore, the EU has recently adopted a **climate adaptation policy** and introduced the **first delegated act for its taxonomy** that stipulates its environmental objectives, while it also adopted a proposal to make **corporate sustainability reporting standardized and mandatory for more companies from 2023**. Multi-country projects and large-scale projects will also contribute to the **EU digital 2030 targets**, with the initial list of areas as shown below:

Exhibit A.2. EU Multi-country projects



Source: European Commission

⁴ **BPO:** Business process outsourcing; **SaaS:** Software-as-a Service

Investments for these projects will include the **Recovery and Resilience Facility (RRF)** as well as **funding by individual Member States**. It is clearly stipulated that, as the EU targets, by 2030 at the latest, all populated areas to be covered by 5G, it also contemplates:

- (a) At least **20% of the funding** allocated to Member States under the RRF to be used for measures that contribute to the **digital transition**
- (b) At least **75% of EU Enterprises** to take **cloud computing services, big data and AI**
- (c) At least **90% of EU SMEs** to reach at least a basic level of **digital intensity**
- (d) **EU citizens and corporates** should have **full online accessibility of key public services**, with citizens **having full access to their medical records electronically (EHR)**
- (e) At least **80% of EU citizens** to use a **digital identification (ID) solution**

The **National Recovery and Resilience Plan (NRRP), "Greece 2.0"**, was approved by ECOFIN on July 13, 2021, **utilizing investment resources of €31.16bn, of which €30.5bn European Funds (€12.73bn in loans and €18.43bn in grants)**, expected to mobilize a total of €60bn in investments in the country **over the next five years**. The plan is structured in four pillars **(a) Green, (b) Digital, (c) Employment, Skills and Social Cohesion, and (d) Private investment and transformation of the economy**.

Regarding the Digital Transformation, the Plan's investments and reforms include:

- A. Installation of **fiber-optic infrastructure in buildings** for the transition of society to fiber optic networks
- B. The deployment of modern **submarine fiber cables**, connecting the Greek mainland with the Greek Islands and the Republic of Cyprus
- C. Development of a **5G network** covering all major Greek **motorways**
- D. **Digital transformation of SMEs**, with equipment procurement, cloud and on-line services, e-payment, digital office, work-from-home etc
- E. **Digitization of key archives in various sectors** (Justice, Urban Planning Agencies, Cadastre, Immigration & Asylum, the Digital Pension system (EFKA) and integration in the relevant IT systems
- F. Upgrading of the **Central clouding computing** infrastructure and services
- G. The expansion of the National Public Sector Network (SYZEFXIS II)
- H. Creation of an **Integrated Customer Relationship Management (CRM)** in the Public Administration for citizens and businesses
- I. Further **modernization of Public Administrations' one-stop-shop** (Citizen's Service Centers/KEP)
- J. **Data Governance Strategy** & Policies for the Public Sector, ensuring full compliance with GDPR
- K. **Upgrade of digital skills** during military service
- L. **Massive investment in Digital Public Services**, including upgrading of the digital infrastructure of the Greek Public Administration, digitalization of municipalities and the smart cities project etc.

Regarding the Private Investment and Transformation of the Economy, the Plan's investments and reforms include:

- A. Use of **Artificial Intelligence (AI)** to facilitate **Tax Auditing**
- B. Development of a **Government Enterprise Resource Planning (GOV-ERP)** to support a consolidated fiscal and financial management within the general government and all public agencies and rollout of e-invoicing in the public sector.
- C. **Improve the efficiency of the justice system**, through reforms, investments, **digitalization** and training of judges and judicial staff with emphasis on digital skills
- D. Incentives to increase electronic **e-transactions**
- E. **Reforming and modernizing the public administration**, including capacity building and introduction of a reward system for public entities and civil servants
- F. **Strengthening of the capital markets** and new measures to tackle private indebtedness
- G. Actions against smuggling
- H. Upgrading of research centers' infrastructure, support to basic and applied research, and **innovation funding**
- I. **Selected infrastructure projects to improve connectivity**, such as the northern part of Central Greece highway E-65 and the Cretan Northern Highway (both part of TEN-T)
- J. A major program to improve **road safety**
- K. Upgrading and redeployment of the **rail network system** and infrastructure through PPPs

- L. Introducing a **suburban railway** in West Attica
- M. Expansion and modernization of the **electronic toll system**
- N. **Smart** infrastructure projects
- O. **Policies to promote culture**, such as labor reform in the cultural sector; projects which turn culture into a driver of growth; adaptation of cultural venues infrastructure and services to tap on silver economy
- P. The establishment of a **Museum of underwater antiquities**
- Q. Development of routes of particular natural and cultural interest as well as of climate change adaptation plans for cultural **heritage sites**
- R. Investments aiming to **extend the tourism season** and promote **alternative forms of tourism** (mountain tourism, health and wellness tourism, agro tourism, diving & underwater tourism); to upgrade regional ports, as well as the accessibility to beaches for the elderly and people with disabilities; and a dedicated program of upskilling and reskilling in the tourism sector
- S. Establishment of new, **next-generation industrial parks** and acceleration of smart manufacturing
- T. Funding of **projects promoting environment-friendly** processes and innovative technologies in **agriculture**, and modernization of the aquaculture production.

How could Profile Software benefit from this digital investment cycle?

Digital Transformation in Greece will be addressable by all major IT and Telecom companies. **Profile Software** is increasing its **exposure to public sector investment projects in the coming years**, having an expertise, a product portfolio and a sound financial position that allows participating into upcoming tenders. According to our calculations, as the potential **addressable market reaches c€1.2-1.3bn, the Company could participate in at least c5% of these projects, with an incremental €30-60mn turnover booked in the 2022-2026 period. This in turn could increase its current public sector portfolio from c18% currently, to as high as 24-29% of total, respectively.** Furthermore, its subsidiary **Profile Digital Services** has already undertaken and executes the digitization process of court sessions (including Courts of Appeal, Courts of First Instance, Criminal Courts and Courts of Peace) of annualized budget of c€4-5mn. It should be stressed that the Company completed in early Dec. 2021, a platform for the **Greek Ministry of Justice** with online updates on court scheduling. A new international tender process is expected within 2022 for the expansion of the digitization of all major Courts around Greece that could potentially secure annualized turnover of c€3-5mn on our calculations, on top of any other public sector projects awarded. Furthermore, it was announced on Dec 20 that the consortium of **Unisystems-Profile Software** was awarded a €3mn tender for the digitization of the **Army Share Fund**, indicative of possible future projects that could add value and increase its public sector project backlog. Recently, the 50%/50% joint venture of **Intrasoft Intl-Profile Software** has participated into the tender process for the digitization of the **Hellenic Cadaste (Land Registry)** that could also provide incremental revenues of c€8-10mn, offering a healthy operating profitability.

Profile Software has continued to expand over the past decade, with its revenues growing with a CAGR 2010-20 of c11%, developing innovative financial solutions, mainly in the areas of Banking and Wealth Management. In more detail, **Profile Software solutions span into three broad categories (Appendix 5. includes product explanatory notes):**

Exhibit A.3. Product Overview

	Banking	Investment Management	Business solutions
PRODUCTS	<ul style="list-style-type: none"> • FMS.next (Core Banking) • FMS.next Payments • Acument.plus (Treasury) • Finuevo (Digital Banking) • Risk Avert 	<ul style="list-style-type: none"> • Axia Suite • Axia Robo Advisor • Mobius Wealth • GS Market • GS Trader • Plexus app • Registry • Profile Vote 	<ul style="list-style-type: none"> • Public Sector • Ticketing

Source: AF Research, Company

Leveraging on its state-of-the art software solutions and its long relationships with its clientele, **Profile Software has traditionally secured c60-65% of total revenues as recurring**, either through PayG or SaaS contracts. Several well-respected companies in the financial space are currently using its product solutions, with Profile Software gaining recognition among the industry professionals for its customized solutions implementation, as it also provides BPO and BPaaS⁵ services.

⁵ **BPaaS:** Business Process as a Service

Indicatively, clients in the **Banking** space include: **BNP Paribas** for AML Management, **Sumitomo Mitsui Trust Bank (SuMITB)** for Treasury, **RBS Bank** for Data warehouse, **First Abu Dhabi Bank** for Custody, **Orient Bank** for Treasury, **Family Bank** for Treasury and Risk Management, **bankmed** for Treasury, **Mercedes Benz Bank** for banking, **Allica Bank** for Digital Banking, Treasury, Risk Management, **Credins** for collections management, **Eurobank**, **Optima Bank**, **Attica Bank** and **Epirus Bank** for Risk Management and **Alpha Bank** for custody.

In the **Wealth Management** space, clients include: **Twenty First Capital**, **T.C.R. Intl.**, **MuniFun**, **Masraf Al Rayan**, **Ramsala**, **Albilad Capital** for Custody, **AJK Wealth**, **MADA Capital**, **Hinduja Bank** for mobile & web Investment Management, **Dolfin**, **Forte Securities**, **BAC San Jose** Puesto de Bolsa SA, **ATON Wealth**, **Eurobank Wealth/PB**, **National Bank of Greece**, **Piraeus Bank** Wealth Management Division, **Attica Bank** Wealth and **3K Investment Partners**.

In the **Insurance/Crowdfunding** industries, selective clients include: **Groupama**, **ERGO**, **CNP Insurance** Cyprus, **BNH Insurance**, **ADNIC** Insurance, **7Q** Financial services, **Fiduciam** marketplace lending, **Elevate Capital** for P2P lending.

We are forecasting **revenue growing with a CAGR2020-29 of c11%**, in line with its historical average of 11%, while **maintaining healthy recurring revenue of 65%**, with **its organic revenue growing with a CAGR 2020-29 of c6%**. We however stress that, **as the FinTech undergoes a hype cycle with a continuing wave of innovation, potential opportunities for M&A activity will continue in the sector**, as FinTech companies will **complement their organic growth through joint partnerships, venture capital funding and/or acquisitions**. Profile Software appears to adhere to such a norm, having acquired French company **Login SA** in 2017, adding Acumen.plus, a complete open cloud-native platform for the whole spectrum of Treasury and Capital Markets to its product portfolio, or c€4-5mn annually at its top line. The acquisition (March 2021) of Swedish/Norwegian **Euronext Centevo**, a specialized provider of Asset and Fund Management solutions to more than sixty-five of the largest Asset & Fund Management companies in the Nordics (Norway, Sweden, Denmark and Finland), adds c€6-7mn annually at its top line. This disruptive innovation in financial services could accelerate the need to acquire talent and new product development, with the Company moving along this competitive landscape of the financial ecosystem with further acquisitions that will either differentiate or leap forward its innovative product offering/niche segments from other competitors. To this end, we include in our alternative scenario, an additional acquisition in the 2022-25 period, in similar size as the recently acquired Centevo, with revenues from acquisitions doubling their share in total revenues to c41% by 2029, shaping at c€20mn in 2029 vs c€11.9mn in 2021. Our baseline scenario assumes no additional acquisitions in the 2022-29 period, with the recently acquired Centevo contributing c26% of total by 2029, with its turnover growing with a CAGR 21-29 of c11% (**Exhibit A.4., Exhibit A.5.**)

Exhibit A.4. Revenue Breakdown vs EBITDA

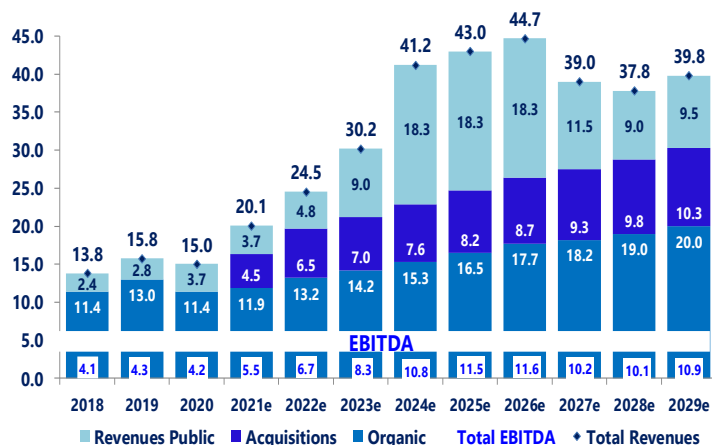
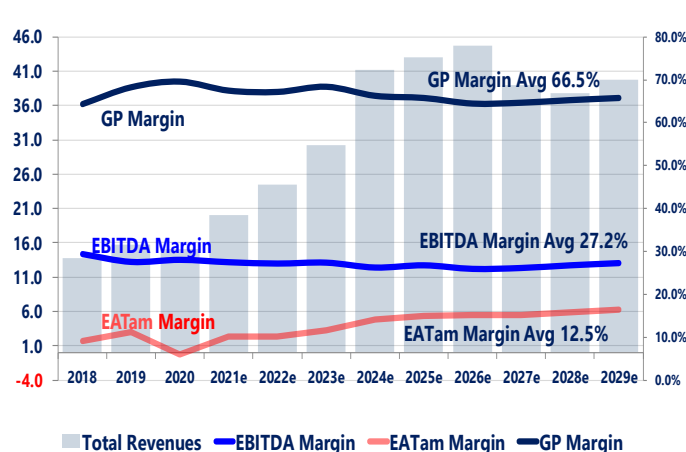


Exhibit A.5. Profitability Margins (2018-2029e)



Note: Acquisitions include Centevo with no other acquisitions in the 2022-2029 period

Source: AF Research, Company

Profile Software **has historically enjoyed gross profit margins of c67% on average**, jumping from c57% in the 2010-2015 period to c66% in the 2015-2020 period, as financial solutions and acquisitions are feeding into the profitability equation, with accretive margins. We are forecasting similar trends in the 2020-2029 period, while we expect transitory, lower margins, as public projects increase their footprint in the revenues mix during the 2022-27 period. **Its disciplined capital structure has allowed for a healthy net cash position historically, which we forecast continuing albeit at a lower level, as we assume tapping the bond markets or partly financing its acquisition strategy through a loan instrument.**

B. FinTech evolution: Trends in Greece and abroad; The case for Profile Software

Digital transformation will be driving investments going forward, as covid-19 accelerated consumer behavior towards digital trends and businesses are now promoting digital technological innovations to meet new business challenges. According to **the EIB Digitalization index**, the **EU lags the US** on digitalization efforts, while four countries, namely Denmark, Finland, the Netherlands and Czech Republic are well ahead. **Within the G20**, China has gained significantly in digital competitiveness, while the **top three Digital Risers** include Saudi Arabia, Brazil and Argentina. **Within Europe and the North America region, however, Greece ranked 4th, underpinning the improved Greek Digital Ecosystem in the last two years, with Lithuania, Hungary and Spain as the top risers.**

Furthermore, Greece still strives to implement the new norms among EU countries, ranked 25th out of 28 countries in the **DESI index⁶ for 2021**. Digital Economy improves in Greece, **as digitalization of public services** is above EU average (ranked 26th), while on the **integration of digital technologies into business activities**, Greece is well below the EU average and ranks 22nd. Regarding the use of **artificial intelligence (AI)** from Greek enterprises, Greece is at 34%, well above the EU average of 25%, while on **Big Data Analytics** Greece is close to the EU average of 14%.

The Greek ICT sector through the digital transformation and the green transition has the potential to reinforce its key role in the economy and emerge stronger, with the pandemic proving as an accelerator of reforms. **Steps have been taken by the Greek government during the past two years to accelerate the digitalization of the Greek State and speed-up investments, setting the framework for Greece to become a leading innovation Centre in SE Europe, a European IT hub.** The importance of these changes on the digital landscape and the upraise of the Greek IT sector was marked by the inauguration of **Cisco's** Center for Digital Transformation & Digital Skills at Thessaloniki, **Microsoft's** investment of \$1bn with a Data Center hub, **Amazon's** investment of AWS (Amazon Web Service) local zone and **Pfizer** increasing its recruitment of engineers for the Digital Center at Thessaloniki.

As Greek innovation has been at the frontline for many years, **M&A appetite** for Greek talent and innovation has put the Greek IT and startup ecosystem on a significant investment cycle. One of the largest acquisitions in the past two-year period was that of **Softomotive** (robotics process automation) by **Microsoft**, followed by **InstaShop** (Dubai-based grocery delivery platform) by **Delivery Hero**. **Lamda Hellix** (Data Centers) was acquired by **Digital Realty** with the latter undertaking the construction of the largest Data Center of 6.8MW in Greece. Recently, Danish **NetCompany**, completed the acquisition of **Intracom Holdings'** subsidiary, **Intrasoft International**, a leading Greek software company. As Greece gradually becomes an Information Engineering hub, it attracts both US and EU companies across various areas around Greece, with the most notable one, the city of **Ioannina**, with **Teamviewer** having established one of its largest R&D centers around the world. Several other companies are planning investments in **Data Centers**, namely **Hellas SAT**, **OTE**, **TI Sparkle**, **Sunapsecom**, **Space Hellas**, **Interworks** and **Lancom**, with **Cloudrock** utilizing IoT and AI technologies. **BigTech** companies have long trusted Greece for its talent and competent human resources, as indicatively, **Oracle** operates a cloud development hub, with **IBM**, **Ericsson**, **OTE**, **Siemens**, **SAP**, **HP**, **Dell**, **Apple**, **Microsoft** and **Accenture**, among others, embracing the new super-cycle of digital transformation.

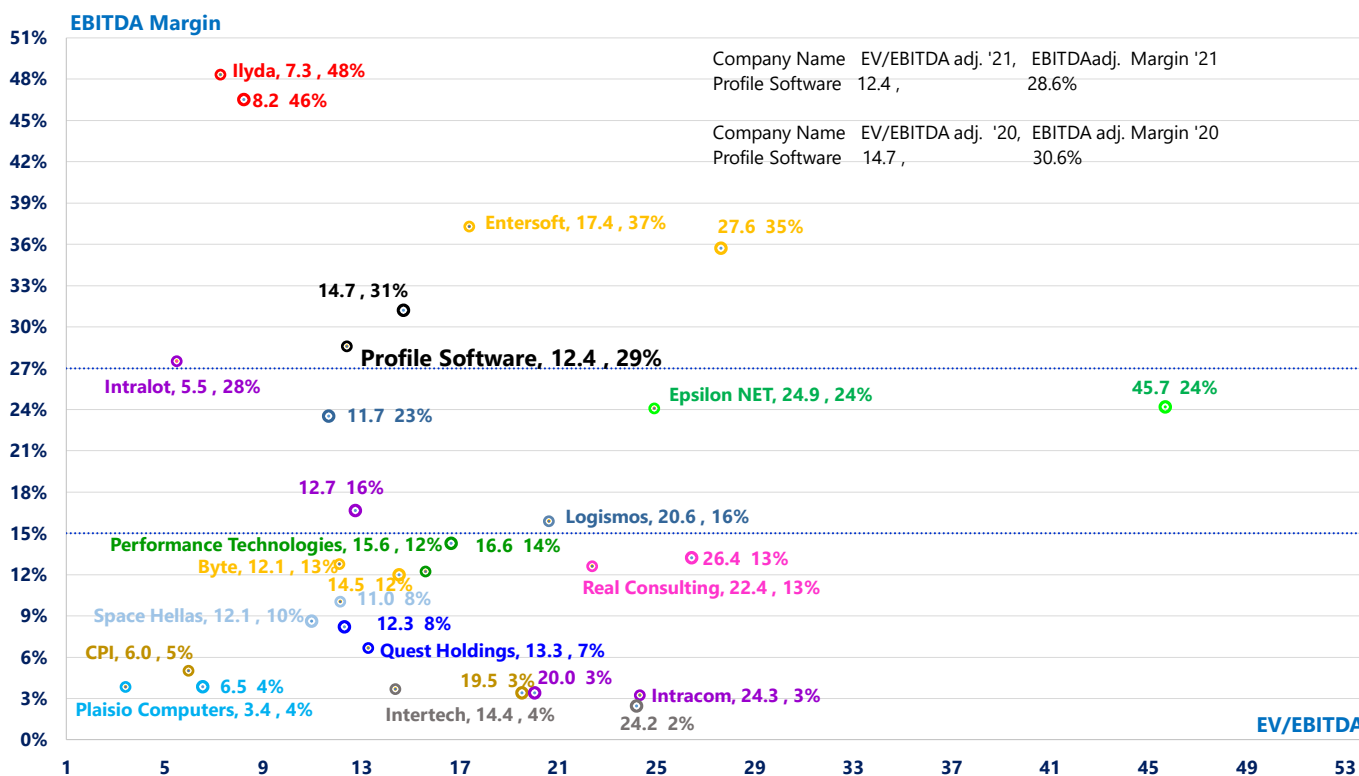
In the **FinTech** industry, several Greek companies revolutionize the FinTech space, with **Profile Software** mainly specializing on banking and investment management solutions. **Start-up** companies are also targeting the FinTech space, with **Plum**, based in Athens and London, providing AI assistance for facilitating money management, while Ioannina based **Natech** offers IT solutions to banks, microfinance institutions, money exchange, financial service providers and vertical enterprises. **Viva Wallet** offers payment processing solutions for businesses, with recent newsflow included **JPMorgan Chase & Co.** weighing a potential investment in the company. Athens based startup **Wisely** offers open banking solutions for banks and financial institutions using ML algos, also offering solutions to leasing companies and real estate. **Excelon** is a venture that offers advanced digital money services, while **Infin8** offers a mobile banking app, as **FintelioX** and **Crowdpolicy** both offer enterprise solutions and services for banks and other financial institutions.

Greek IT companies listed on the Athens Stock Exchange will also leap forward implementing the Digital transformation that will ride the wave of investment projects in the coming years. They have managed to overcome previous year's adverse economic challenges, now enjoying a strong overperformance vs the ATHEX General index, as the ATHEX Technology index has gained just shy of 90% in the past year. **Profile Software** has improved its strong financial standing over the Greek IT sector, according to our estimates (**Exhibit B.1**), while at the same time it continues to deliver higher operational profitability margins close to 30%, ranked among the top tier Technology companies. Over time, prudent financial management has enabled the Company to expand, implementing its acquisition strategy through FCF utilization and debt. **We estimate that Profile Software will succeed in maintaining higher profitability margins versus its local Greek IT peers, through its high recurring revenue stream, client**

⁶ **DESI** : Digital Economy and Society index

retention rates, and project implementation, allowing delivery of margins similar to the previous years. Its net cash position is estimated c€23mn on average during the 2021-29 period.

Exhibit B.1. ATHEX Information Technology Companies: EV/EBITDA vs EBITDA Margins 2020 vs 2021 (e)



Note: (1) Indicative estimates based on reported H1 21 or 9M 21 results linearly extrapolated to include trailing quarters for the fiscal year 2021 were applicable
 (2) EBITDA adjusted for stock options and acquired entities PP&A effects

Source: Company Financial statements, AF Research

The Global FinTech industry has evolved over the years, with business models adapting to a customer-centric business, with several companies such as start-ups, BigTech or even Telecom companies finding a place to offer innovative services, cutting edge technologies for specific functions or products to several industries and to the financial services sector. **As corporates look to expand their offerings, investments and M&A activity will continue or even intensify in the FinTech industry, through venture capital, private equity or bolt-on acquisitions, with regional leaders increasing their footprint and/or BigTechs acquiring innovative state-of-the-art technological innovations, with market share and growth among the key parameters for expansionary efforts.** Companies that operate in the Global FinTech Market include Ant Group Co. Ltd., Paypal, Paytm, Tencent, Robinhood, Google Payment Corp., One97 Communications Ltd., Adyen NV., Qudian Inc., Afterpay Limited, Nexi SpA, Klarna Bank AB, N26, Monzo, Rapyd, Social Finance, Inc., Revolut, Adyen, Transferwise, Funding circle, Avant, LLC., Credit Karma, among others.

Digital disruption in financial services and the application of innovative technologies include BigTech companies that lead the tech space, implement regulatory and policy frameworks while promoting collaboration between different groups, both public and private, delivering targeted business insights and advice.

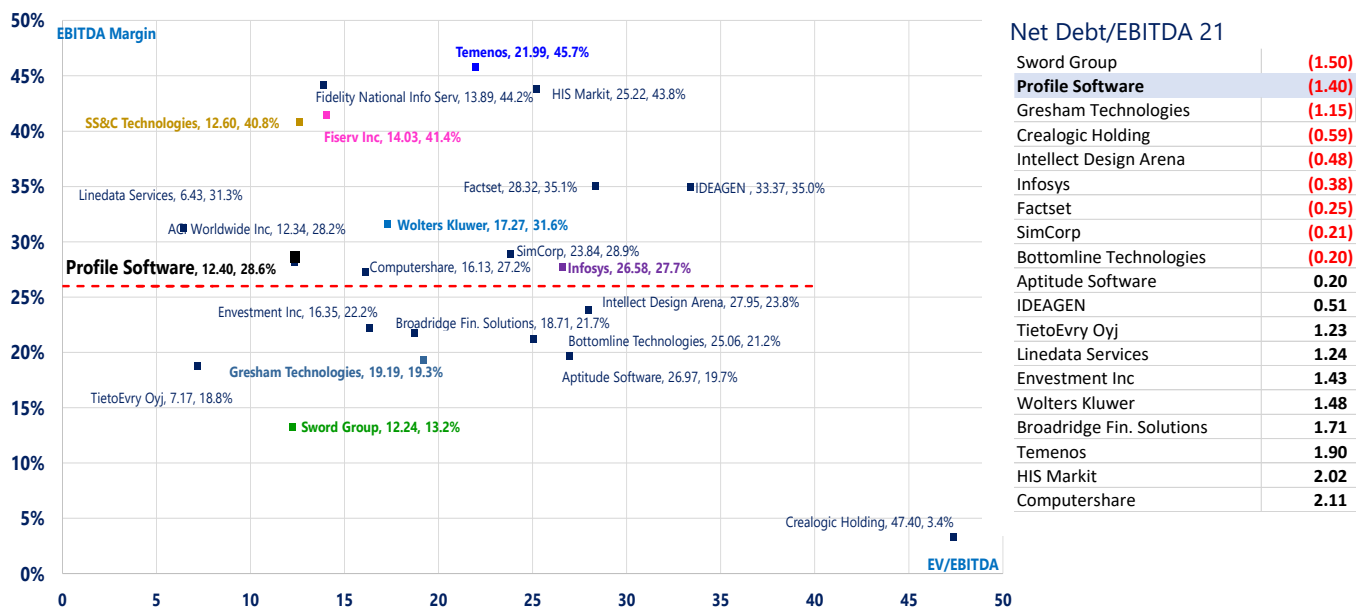
Profile Software has managed over the years to maintain its competitiveness in a highly changing financial space, continuously investing in R&D, while at the same time adheres to a financial discipline that has enabled it to be acknowledged among the top BigTech names. It offers attractive operating profitability (EBITDA) margins close to 30%, trading at the same time at c30-40% discount historically versus its directly comparable listed peers on EV/EBITDA '21 multiples. Furthermore, ahead of major projects in the financial ecosystem, Profile Software traditionally enjoys a net cash position that ranks among the top BigTech companies globally and is an enabler and accelerator of its sustainable economic growth. (Exhibit B.2.)

Next-generation transformation, client retention with expertise and consistent delivery of cutting-edge solutions to clientele, swift adaptation to new norms such as ML and robotics, among others, will drive **Profile Software** business by the end of the decade,

with M&A becoming an integral part of its strategic expansion. Companies in the financial ecosystem have made IT integration a strategic priority and the Company is pioneering into this digital transformation, offering infrastructure changes to a financial company to be more modular and dynamic, driving a new agile operating model, upgrading its technological backbone and workforce skills.

As competition intensifies with new business models and innovations are widely discussed, the covid-19 pandemic has also expedited the use of digital options, with innovations such as digital payment like **BNPL**⁷, **cryptocurrency**, **tokenized securities** and **point-of-sale lending**, all re-imaging lending and upending the POS experience. Leading BigTech companies (**Exhibit B.2.**) such as **Temenos**, seemingly integrate these developments/innovations into their platforms, enabling the financial institutions to innovate faster and deliver a better banking experience for customers.

Exhibit B.2. Global FinTech Companies: EV/EBITDA vs EBITDA Margins 2021



Source: Bloomberg, AF Research

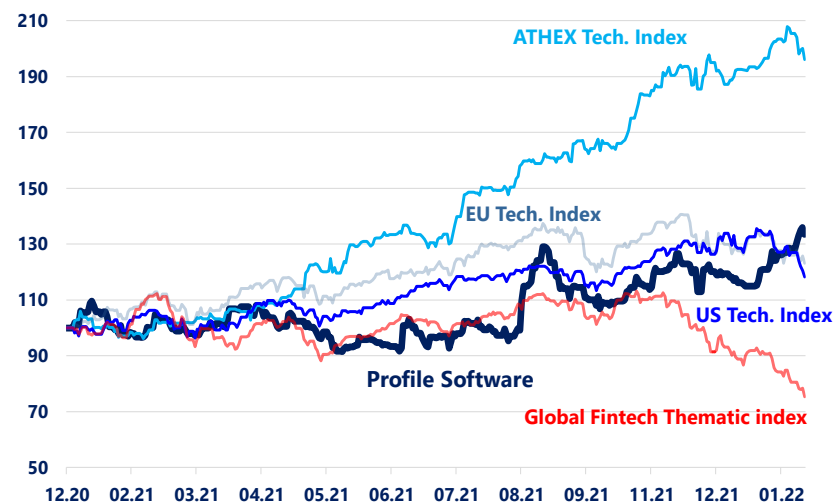
Critically, we could advocate that **Profile Software** has to be accelerator of innovative solutions and products to its clients continuously, through its end-to-end system implementation and system integration with its complimentary services such as regulated SaaS and production support. At the same time, **organic growth with bolt-on acquisitions could possibly be coupled with third party offering systems, complementing its own platform solutions or even a partnership, making the Company a trusted one-stop FinTech solution provider for companies in the financial space.**

⁷ **BNPL** : Buy Now Pay Later

C. Valuation

FinTech long term trends are driving investment activity in the short term, as valuation multiples have moved up in the previous period, even skyrocketed in some cases. New product and function innovations, the spread of APIs, the PSD2 and open banking, new marketplace lending, digital assets, AI, IoT, ML, blockchains, distributed ledger technologies, Big data analytics, smart contracts, IT security and robo-advice are but a few that have set the disruption of the financial and banking system, as digitalization will drive developments ahead.

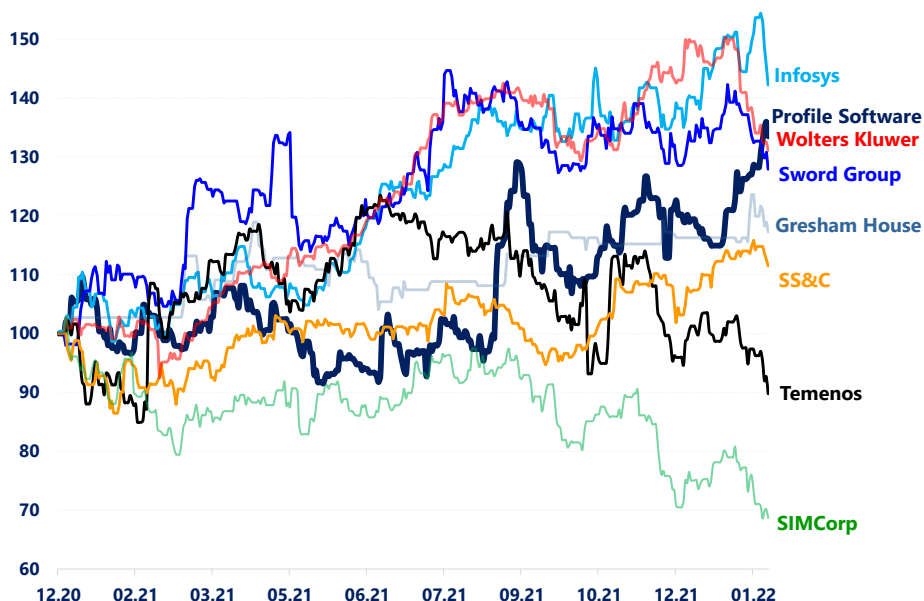
Exhibit C.1. Global Information Technology indices: Comparable index Performance **2021-2022**



Source: Bloomberg, AF Research

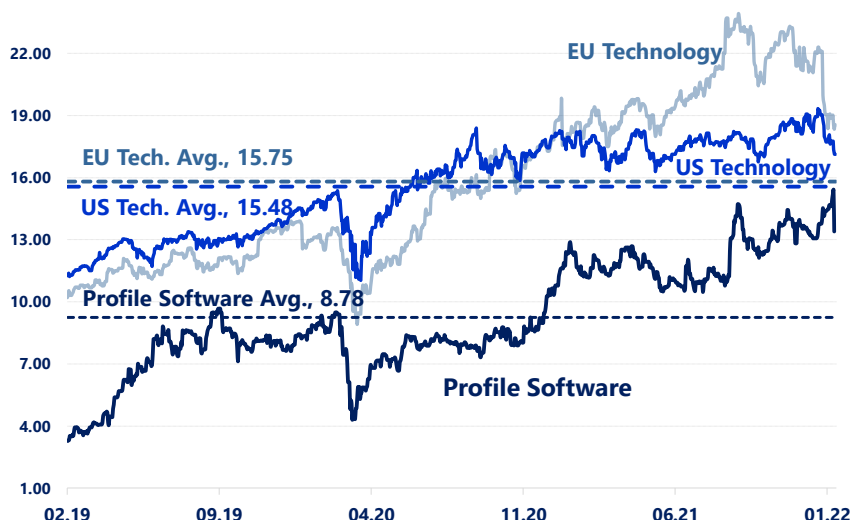
Profile Software is a key integrator for this digital transformation, outperforming global FinTech companies since 2018, as its carefully planned bolt-on acquisitions and organic growth create value for its shareholders. Furthermore, several ATHEX listed information technology companies have recovered from the pandemic period underperformance and now show renewed financial strength ahead of major IT projects in Greece in the coming years, outperforming the global major indices and Profile Software in the past 12-month period (**Exhibit C.1.**). However, Profile Software exhibits resilient performance versus its comparable international peers, during the aforementioned period (**Exhibit C.2.**).

Exhibit C.2. Global FinTech Companies: Comparable stock Performance **2021-2022**



Note: Selective comparable companies
Source: Bloomberg, AF Research

Exhibit C.3. Global Information Technology index vs Profile Software on EV/EBITDA multiple



Source: Bloomberg, AF Research

It could be argued that Profile Software’s outperformance that has lasted since 2018 may run out of steam, since it trades well above its historical EV/EBITDA average of c8.4x (**Exhibit C.4.**), although it trades at discount vs the EU avg. of 15.75 and its US avg. of 15.48 (**Exhibit C.3.**). This, however, does not take into account the increasing profitability of the Company in the 2022-2027 period, with potentially €€30-60mn turnover from public sector projects, on our calculations, offering strong earnings momentum that should render the valuation multiples more attractive.

Exhibit C.4. Profile Software: Historic EV/EBITDA (2019-21)



Source: Bloomberg, AF Research

Moreover, Global FinTech as represented by the **Global FinTech Thematic index** is a laggard versus the broader market (**Exhibit C.1.**). We believe current higher Profile Software EV/EBITDA multiples will smooth out in the next three-year period, as the recent acquisition of Centevo adds €€7mn on its topline by 2023, according to our calculations, with its ratio of 8.2x reverting back to its historical average by that time.

Technological propositions in the financial services sector with changing demand of customer expectations, the availability of funding and the increasing support from governments and regulators will continue to drive the FinTech growth going forward, either through organic growth or acquisitions.

Relative valuation of Profile Software

Among the main evaluation methodologies for FinTech companies we include relative valuation for the peer group⁸, attempting to find a relationship between several multiples such as P/BV vs ROE and EV/EBIT vs ROIC. Our regression results only partly explain the relationships with an R² coefficient between 30-40%. We thus applied an equally weighted EV/EBITDA target multiple for our EU and US peer group, allowing for a discount of 15% to account for size differences, liquidity and market depth.

This results into a target EV/EBITDA '22 multiple of 13.6x, which, in turn, implies an indicative equity value, adjusted for treasury stock, of €8.69 per share, or c€104mn (Exhibit C.5.).

We emphasize, however, that as Centevo contribution becomes more pronounced into the topline and profitability equation from 2023, comparable valuation metrics become more attractive, with the respective adj. EV/EBITDA '23 multiple at 8.2x, i.e. at 32-37% discount vs its peers.

Exhibit C.5. Relative valuation

Multiples-based Valuation		
		22
EV/EBITDA	x	16.0 x
EU		16.7 x
US		15.3 x
Discount		15%
Target EV/EBITDA	x	13.6 x
EBITDA adj. (€mn)		6.9
Implied EV (€mn)		93.1
(-) Net Debt		(11.3)
(-) Minorities		0.0
(+) Participations		0.0
Equity Value (€mn)		104.4
no. of shares		12.0
Equity Value per share (€mn)		€ 8.69

Note: EBITDA adj. for stock options and acquired entities PP&A effects

*detailed analysis at Appendix 2.

Source: Bloomberg, AF Research

Validating the Relative valuation

Profile Software has the financial strength to build its portfolio with value accretive niche markets or products, through bolt-on acquisitions. **The speed of innovation and the different competing state-of-art offers by companies, make us believe that the next acquisition should be undertaken sooner than the previous four-year period between Login (2017) and Centevo (2021), so as to ride along the rapid wave of evolution and investments of this super cycle and become an essential part of the ecosystem.**

We have thus also included a scenario for a bolt-on acquisition in the 2022-24 period, in similar size and financial metrics with the recent ones, adding c€2.5mn on the top line as of the 2022-2023 period, contributing c20% of total revenues by 2029, lower however than the Centevo acquisition, which we estimate to contribute c21% of total by then.

Our **DCF baseline valuation exercise**⁹ with no acquisition, adjusting for treasury stock, results into an **indicative equity value of €8.92 per share, or c€108mn (Exhibit C.6.).**

Following a combination of the two methods, assigning equal weights to each, we derive an indicative equity value of €8.80 per share, or c€107mn.

Exhibit C.6. DCF valuation

DCF Valuation Exercise	
Rf	1.50%
ERP	7.50%
Beta	1.0
Terminal Growth Rate	2.00%
WACC	7.90%
Equity Value per share	€ 8.92

Source: Bloomberg, AF Research

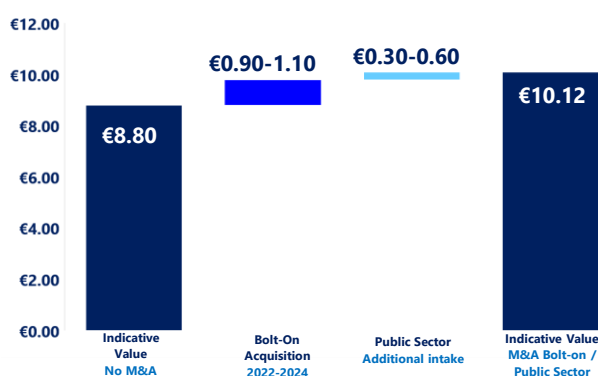
⁸ Please refer to the Appendix 3. for a detailed analysis of peers

⁹ Please refer to the Appendix 2. for a detailed analysis of the DCF exercise

How can Profile Software increase its footprint and become a leading global disruptor?

The Company has a strong financial position and has traditionally expanded with proactive planning of investments. Product offering globally adds to its international recognized status as a leading software integrator in the financial services space, **while focus into high growth markets such as the Nordics, Middle East and Asia will prove of strategic importance in the following years.** Furthermore, continuous investment in R&D with the creation of the IT hub at Thessaloniki is an enabler for new disruptive value creating projects ahead. At the same time, the Company has managed to have a high client retention rate, which is critical for successfully maintaining and building on its business model, with limited erosion in its profitability margins. Opportunities will exist in the FinTech area, as investments in the EU and especially in Greece, will be supported by the EU/government support programs. **The ability to digitally provide services, add new clients, maintain existing ones, provide innovative products while continuing to enjoy high profitability margins above the industry norm, are all key factors driving the next footprints for the Company.**

Exhibit C.7. Intrinsic value scenario analysis



Source: AF Research

Digital transformation, the provision of new customer experience and the importance of change is widely recognized by market participants in the financial space. **On our baseline scenario**, we assume that Profile Software does not follow the trend to rapidly develop its operations through additional bolt-on acquisitions, building its expansion organically utilizing its current portfolio on a steady growth pattern. We also include **€30mn additional revenues in the 2022-27 period from public projects**, at c20% EBITDA margins vs its 27-30% historical average. **Our DCF exercise applies an indicative equity value of €8.92 per share or €108mn. As the adj. EV/EBITDA '22 target multiple valuation method results into an indicative equity value of €8.69 per share, the blended valuation exercise results into an indicative value of €107mn or €8.80 per share (Exhibit C.7).**

However, as we have argued, a strategic acquisition at similar metrics to the ones it has already completed **could add €0.90-1.10 per share** to its intrinsic value **(Exhibit C.7).**

Furthermore, as Greece will enjoy a major investment inflow in the coming years in its effort to become a regional Information Technology Hub, Profile Software could succeed participating into an increasing number of IT projects domestically. To this end, if we were to assume that the company succeeds into capturing **€60mn of public revenues** or c23% of total by 2029, with its organic revenues representing c38% of total, **our DCF valuation exercise would imply an additional equity value of €0.30-0.60 per share.** In such a scenario, turnover CAGR 20-29 could be at c15%, close to the €53mn threshold **(Exhibit C.7).**

We believe that the FinTech market is at a growth trajectory in the decade, as the digital ecosystem will enjoy a period of increased investments globally, to transform not only the financial markets space but to offer a new customer experience and a new way of doing business. **Profile Software is a leading software integrator and has the ability of management to be a key differentiator and become a leading global disruptor in the financial services space.**

In this technological future of changes, Profile Software is racing against all major FinTech disruptors. Challenges and opportunities through the new IT era will lead to a new reality, changing business models and human behavior. Profile Software could be a key enabler in the financial services space, swiftly adapting to advancements and opportunities. A Greek Company swiftly managed to become a leading disruptor of tomorrow? Time will tell.

D. Shareholder Structure, ESG & Corporate Governance, Remuneration Policy

Profile Software's Management has a proven track record of successfully overcoming adverse market conditions, while its major shareholder and founder, **Mr Charalampos Stasinopoulos**, having an equity stake close to 50%, swiftly maneuvered Company to steadily expand its footprint domestically and expand to niche financial markets abroad. Its major shareholder currently is the **Chief Entrepreneur** and the **Executive President** of the Company.

Mr Evangelos Aggelides is the CEO with five-year tenure, following a successful term as CFO. The Women Management to employee ratio currently stands at 6%, with women approximately 25% of its workforce. Non-executive members represent c43% of BoD total, with Independent Directors at 28%. Approximately 20% of women employed are Executives, while they represent 14% of total at the BoD (**Appendix 4.**)

Exhibit D.1. Shareholder structure



Source: AF Research, Profile Software

A Remuneration Policy is also in place, with the BoD approving a stock option plan on Jan. 22, 2020, to be in effect until Nov. 2025, to be exercised by fifty two selected beneficiaries. The total number of stock options/shares that can be issued reaches 600ths, with the exercise price set at €1.70 per share. The options granted shall mature in installments as follows: **(1)** 1st Nov. 2020 115,093 stock options, **(2)** 1st Nov. 2021 142,483 stock options, **(3)** 1st Nov. 2022 145,954 stock options, **(4)** 1st Nov. 2023 28,220 stock options.

Additionally, the Company has long implemented a **share buyback program** under which it has a treasury stock, usually close to 5% of its total equity capital, that frequently allocates/sells to a selective clientele, mainly **Institutional long-only investors**, that allows for any capital gains to be distributed to shareholders as extraordinary payout. According to the latest ATHEX announcement, Profile Software has re-initiated the share-buyback program as of Nov 15, 2021, with its treasury stock totaling a mere 38K, or c0.3% of total equity capital.

Appendix 1. Financials

P&L items (€mn)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027 *	2028 *	2029 *
	act	act	act	act	est	est	est	est	est	est	est	est	est
Turnover	11.6	13.8	15.8	15.0	20.1	24.5	30.2	41.2	43.0	44.7	39.0	37.8	39.8
(YoY %)	24.4%	19.7%	14.0%	-4.6%	33.3%	22.2%	23.2%	36.4%	4.4%	4.0%	-12.8%	-3.1%	5.3%
Gross Profit	7.8	8.9	10.8	10.5	13.5	16.5	20.7	27.3	28.3	28.8	25.2	24.7	26.2
(YoY %)	0.0%	17.7%	25.1%	-4.7%	31.2%	25.0%	28.9%	39.1%	4.4%	3.4%	-12.8%	-1.9%	6.7%
Margin	67.3%	64.4%	68.3%	69.6%	67.5%	67.2%	68.4%	66.3%	65.8%	64.5%	64.7%	65.3%	65.8%
Selling & Distribution	1.9	2.3	2.7	2.7	3.4	4.2	5.3	7.0	6.9	7.2	6.2	6.0	6.4
Administrative	1.4	1.5	1.6	1.7	2.2	2.7	3.3	4.5	4.7	4.9	4.3	4.2	4.4
R&D	0.9	1.2	1.6	1.9	2.4	2.9	3.8	4.9	5.2	5.1	4.5	4.3	4.6
Net Other	(0.3)	(0.2)	0.5	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Expenses	3.8	4.8	6.4	6.2	8.0	9.8	12.4	16.5	16.8	17.2	15.0	14.6	15.3
Margin	33.3%	35.0%	40.7%	41.6%	40.0%	40.0%	41.0%	40.0%	39.0%	38.5%	38.5%	38.5%	38.5%
EBIT	1.9	2.0	2.1	1.9	2.6	3.5	4.7	7.3	8.1	8.5	7.4	7.4	8.2
(YoY %)	151.2%	1.4%	6.9%	-11.1%	40.7%	33.5%	36.2%	54.7%	10.2%	5.1%	-12.8%	0.5%	9.6%
Margin	16.6%	14.1%	13.2%	12.3%	13.0%	14.2%	15.7%	17.8%	18.8%	19.0%	19.0%	19.7%	20.5%
EBITDA	3.9	4.1	4.3	4.2	5.5	6.7	8.3	10.8	11.5	11.6	10.2	10.1	10.9
(YoY %)	39.5%	3.2%	7.1%	-3.0%	30.8%	20.9%	24.1%	30.9%	6.4%	0.9%	-12.1%	-0.9%	7.3%
Margin	34.0%	29.3%	27.6%	28.0%	27.5%	27.2%	27.4%	26.3%	26.8%	26.0%	26.2%	26.8%	27.3%
EBITDA adj.	3.9	4.1	4.3	4.6	5.7	6.9	8.3	10.8	11.5	11.6	10.2	10.1	10.9
(YoY %)	39.5%	3.2%	7.1%	-3.0%	30.8%	20.9%	24.1%	30.9%	6.4%	0.9%	-12.1%	-0.9%	7.3%
Margin	34.0%	29.3%	27.6%	30.6%	28.6%	28.0%	27.6%	26.3%	26.8%	26.0%	26.2%	26.8%	27.3%
Financials, net	(0.5)	(0.2)	0.4	(0.6)	0.1	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Depreciation	2.0	2.1	2.3	2.4	2.9	3.2	3.5	3.5	3.4	3.1	2.8	2.7	2.7
EBT	1.4	1.7	2.4	1.3	2.7	3.3	4.6	7.1	7.9	8.3	7.2	7.3	8.0
(YoY %)	157.3%	21.4%	43.0%	-48.5%	114.8%	22.2%	38.4%	56.8%	10.5%	5.1%	-13.1%	0.5%	9.8%
Margin	12.1%	12.3%	15.5%	8.3%	13.4%	13.4%	15.1%	17.3%	18.4%	18.6%	18.5%	19.2%	20.0%
EBT adj.	1.4	1.7	2.4	1.6	3.2	4.1	5.1	7.5	7.9	8.3	7.2	7.3	8.0
(YoY %)	157.3%	21.4%	43.0%	-48.5%	92.7%	29.1%	25.1%	47.1%	5.3%	5.1%	-13.1%	0.5%	9.8%
Margin	12.1%	12.3%	15.5%	8.3%	15.7%	16.6%	16.9%	18.2%	18.4%	18.6%	18.5%	19.2%	20.0%
Tax	(0.4)	(0.4)	(0.7)	(0.3)	(0.7)	(0.8)	(1.1)	(1.3)	(1.4)	(1.5)	(1.3)	(1.3)	(1.4)
Discontinued Ops	0.0	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (after min.)	1.0	1.3	1.8	0.9	2.0	2.5	3.5	5.8	6.5	6.8	5.9	5.9	6.5
(YoY %)	81.8%	23.6%	40.2%	-48.7%	122.6%	23.1%	40.2%	67.8%	10.6%	5.1%	-13.2%	0.5%	9.9%
Margin	8.8%	9.1%	11.2%	6.0%	10.1%	10.1%	11.5%	14.2%	15.0%	15.2%	15.1%	15.7%	16.4%
Net profit (after min.) adj.	1.0	1.3	1.8	1.6	2.5	3.3	4.0	6.2	6.5	6.8	5.9	5.9	6.5
(YoY %)	81.8%	23.6%	40.2%	-27.1%	92.4%	31.7%	23.2%	53.9%	4.4%	5.1%	-13.2%	0.5%	9.9%
Margin	8.8%	9.1%	11.2%	10.6%	12.4%	13.3%	13.1%	15.0%	15.0%	15.2%	15.1%	15.7%	16.4%

Note: * Profile Software's Management aims to re-invest a significant part of 2022 -2027 profits, towards maintaining robust growth rates in the post 2027 period. Furthermore, it expects additional projects from the public, based on its successful implementation of projects in the 2022-27 period, that would make Profile Software an established, reliable partner for public related projects. Our baseline estimates do not include any of those elements.

Source: Profile Software, AF Research

Balance sheet items (€mn)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	act	act	act	act	est	est	est	est	est	est	est	est	est
Tangible / Intangible assets	12.3	11.2	10.1	10.0	12.8	12.6	12.9	12.9	13.0	13.4	13.7	14.1	15.3
Other assets	4.7	4.3	7.0	7.6	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4
Inventories	0.2	0.2	0.1	0.1	0.1	0.3	0.5	0.7	0.7	0.7	0.6	0.6	0.7
Trade receivables	6.9	6.4	3.9	3.7	5.3	6.4	8.3	12.9	13.8	15.1	12.9	12.2	12.8
Short term investments	7.0	5.9	2.2	2.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Cash & equivalents	6.1	7.8	12.9	13.9	12.3	15.3	17.1	20.8	24.5	28.8	32.8	36.9	40.6
Total assets	37.1	35.9	36.1	37.3	44.0	48.1	52.2	60.9	65.5	71.5	73.6	77.3	83.0
Debt (inc leases)	5.2	4.6	4.6	4.7	7.5	7.1	7.1	7.1	7.1	7.1	7.1	7.1	7.1
Payables & Liabilities	9.0	9.0	9.2	8.6	8.0	11.0	12.8	17.7	18.1	19.7	17.9	17.8	19.2
Other L/T liabilities	4.8	3.7	2.7	2.1	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Equity	18.2	18.7	19.8	22.1	25.6	27.2	29.5	33.2	37.5	41.9	45.7	49.6	53.8
Minorities	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Total equity and liabilities	37.1	35.9	36.1	37.3	44.0	48.1	52.2	60.9	65.5	71.5	73.6	77.3	83.0

Cash flow items (€mn)	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	act	act	act	act	est	est	est	est	est	est	est	est	est
Profit before tax	1.4	1.7	2.4	1.3	2.7	3.3	4.6	7.1	7.9	8.3	7.2	7.3	8.0
Plus depreciation	2.0	2.1	2.3	2.4	2.9	3.2	3.5	3.5	3.4	3.1	2.8	2.7	2.7
Adjustments for other non-cash items	(1.3)	(1.1)	(1.2)	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investing activities	0.1	0.1	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial expenses (from P&L)	0.2	0.1	0.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employees indemnities	(0.0)	(0.0)	(0.0)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taxes paid	(0.3)	(0.0)	(0.3)	(0.4)	(0.7)	(0.8)	(1.1)	(1.3)	(1.4)	(1.5)	(1.3)	(1.3)	(1.4)
Credit taxes received	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest paid	(0.3)	(0.4)	(0.3)	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Working capital	(1.0)	0.7	0.2	(0.1)	(2.1)	1.6	(0.2)	0.0	(0.4)	0.2	0.5	0.5	0.8
A. Operating cash flow	0.7	3.1	2.9	2.6	2.8	7.3	6.8	9.4	9.5	10.1	9.3	9.2	10.0
Net Capex	(0.5)	(0.2)	2.9	(2.4)	(5.7)	(3.0)	(3.8)	(3.5)	(3.5)	(3.5)	(3.1)	(3.0)	(4.0)
Interest received	0.1	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends received	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
B. Investing cash flow	(0.4)	0.0	3.1	(2.3)	(5.7)	(3.0)	(3.8)	(3.5)	(3.5)	(3.5)	(3.1)	(3.0)	(4.0)
Changes in debt	(0.9)	(0.5)	(0.6)	(0.1)	2.8	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in equity	0.0	(0.4)	(0.0)	1.7	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subsidies	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	(0.5)	(0.6)	(0.3)	(0.8)	(0.9)	(1.2)	(2.0)	(2.3)	(2.4)	(2.1)	(2.1)	(2.3)
C. Financing cash flow	(0.2)	(1.4)	(1.3)	1.2	1.3	(1.3)	(1.2)	(2.0)	(2.3)	(2.4)	(2.1)	(2.1)	(2.3)
A. + B. + C.	0.1	1.7	4.8	1.5	(1.6)	3.0	1.8	3.8	3.7	4.2	4.1	4.1	3.7
FX Differences	(0.2)	0.1	0.2	(0.5)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash & equivalents (at year-end)	6.1	7.8	12.9	13.9	12.3	15.3	17.1	20.8	24.5	28.8	32.8	36.9	40.6

Source: Profile Software, AF Research

Appendix 2. DCF Model valuation, Sensitivity analysis

Summary of Explicit Estimates

DCF Valuation (€mn)	2020 a	2021 e	2022 e	2023 e	2024 e	2025 e	2026 e	2027 e	2028 e	2029 e
Turnover	15.0	20.1	24.5	30.2	41.2	43.0	44.7	39.0	37.8	39.8
EBIT adj.	1.9	2.6	3.5	4.7	7.3	8.1	8.5	7.4	7.4	8.2
(-) Tax on EBIT	0.4	0.9	1.0	1.2	1.4	1.5	1.5	1.4	1.4	1.5
NOPAT	1.5	1.8	2.4	3.5	5.9	6.6	7.0	6.1	6.1	6.7
(+) Depreciation	2.4	2.9	3.2	3.5	3.5	3.4	3.1	2.8	2.7	2.7
(-) Capex	(2.4)	(5.7)	(3.0)	(3.8)	(3.5)	(3.5)	(3.5)	(3.1)	(3.0)	(4.0)
(-) Δ WC	(0.1)	(2.1)	1.6	(0.2)	0.0	(0.4)	0.2	0.5	0.5	0.8
FCF	1.3	(2.4)	5.0	3.5	6.3	6.1	6.8	6.3	6.3	6.2
WACC	7.83%	7.52%	7.64%	7.72%	7.83%	7.93%	8.02%	8.08%	8.14%	8.19%
Discounted FCF	-	-	5.0	3.3	5.4	4.8	5.0	4.3	3.9	3.6

PV Cash Flows	35.3	Assumptions	
(+) PV (Terminal Value)	61.6	Rf	1.5%
(-) Net Debt FY22e	(11.3)	ERP	7.5%
(-) Minorities	0.0	Beta	1.0
		Terminal Growth Rate	2.0%

Equity Value (mn)	€ 108.2
Shares (mn)	12.0
Equity Value per share	€ 8.92

Note: For the year 2021, Capex and FCF are burdened from the acquisition of Centevo (€4mn)

Source: Profile Software, AF Research

Sensitivity analysis

g	0.00%	0.50%	2.00%	1.50%	2.00%	2.10%	2.20%	2.30%	2.50%
TP DCF	€ 7.63	€ 7.89	€ 8.18	€ 8.52	€ 8.92	€ 9.01	€ 9.10	€ 9.19	€ 9.39
TP Blended	€ 8.16	€ 8.29	€ 8.44	€ 8.61	€ 8.80	€ 8.85	€ 8.89	€ 8.94	€ 9.04

Note: Assigning different terminal growth rates, results into indicative DCF Target prices as shown above

Source: AF Research

Risks

Advancements in the area of FinTech are continuously changing business models, product offering and customer experience. Client retention rate and new client onboarding is crucial into its expansionary efforts, with talent acquisition becoming among the major factors for innovation. Macro environment and demand dynamics, competition from BigTech companies or other FinTech disruptors all additionally create areas that should continuously be monitored.

Appendix 3. Relative valuation – Peers

1. Summary | 2. Greek Peer Group | 3. Peer Group EU, US, Asia

1. Summary

Sector	Ticker	Country	Mcap (€ bn)	P/E x		RoE (%)		P/BV x		EV / EBITDA x		EV / Sales x		Net Debt / EBITDA x		EBITDA Margin (%)		Div Yield (%)	
				22	23	22	23	22	23	22	23	22	23	22	23	22	23	22	23
AF universe (reported)				16.9	11.5	7.0	9.8	1.2	1.1	7.2	6.5	1.1	1.1	2.0	1.7	15.9	16.8	3.2	3.5
AF universe x-banks (reported)				15.5	13.6	12.4	13.3	1.9	1.7	7.2	6.5	1.3	1.3	2.0	1.7	18.3	19.3	4.0	4.4
AF Universe x-banks x-PPC				14.5	13.0	14.5	15.1	2.0	1.9	7.3	6.5	1.3	1.2	1.8	1.5	17.8	18.7	4.4	4.7
Profile Systems	PROF GA		79.5	32.3	23.3	9.5	9.5	3.0	2.7	10.3	8.2	2.8	2.3	-1.7	-1.6	27.2	27.4	1.1	1.5
EU				33.6	22.0	19.9	21.3	5.3	4.9	16.7	14.7	4.7	4.5	0.5	0.4	27.9	29.6	2.0	2.2
US				23.7	39.6	10.0	15.3	6.2	6.0	15.3	15.9	6.0	5.5	0.9	1.1	23.5	24.1	0.5	0.6
Profile vs	AF univ. ex banks			109%	72%	-24%	-29%	58%	56%	43%	27%	114%	79%	Net Cash*	Net Cash*	49%	42%	-73%	-66%
Profile vs	EU			-4%	6%	-52%	-56%	-44%	-44%	-38%	-44%	-41%	-49%	Net Debt	Net Debt	-2%	-7%	-45%	-33%
Profile vs	US			36%	-41%	-6%	-38%	-52%	-55%	-33%	-48%	-53%	-59%	Net Debt	Net Debt	16%	14%	106%	160%

Source: AF Research, Bloomberg

2. Greek Peer Group

Sector	Ticker	Country	Mcap (€ bn)	P/E x		RoE (%)		P/BV x		EV / EBITDA x		EV / Sales x		Net Debt / EBITDA x		EBITDA Margin (%)		Div Yield (%)	
				22	23	22	23	22	23	22	23	22	23	22	23	22	23	22	23
Greece																			
Logismos	LOGISMOS GA	GR	5.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Q&R	QUAL GA	GR	8.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intertech	INTET GA	GR	7.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CPI	CPI GA	GR	7.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ilyda	ILYDA GA	GR	11.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Centric	CENTR GA	GR	30.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Byte	BYTE GA	GR	49.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Space Hellas	SPACE GA	GR	60.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intralot	INLOT GA	GR	125.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plaisio Computers	PLAIS GA	GR	92.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Entersoft	ENTER GA	GR	160.2	22.0	18.9	27.8	27.7	-	-	12.9	10.7	4.9	4.2	-1.1	-1.3	36.7	36.1	2.3	2.7
Epsilon NET	EPSIL GA	GR	277.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intracom	INTRK GA	GR	158.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quest Holdings	QUEST GA	GR	619.0	14.4	13.3	20.9	19.1	-	-	7.9	7.6	0.7	0.6	0.2	0.4	8.3	8.3	1.9	2.1
Performance Technologies	PERF GA	GR	62.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Consulting	REALCONS GA	GR	47.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
* Market Cap in mn euros																			
High				22.0	18.9	27.8	27.7	0.0	0.0	12.9	10.7	4.9	4.2	0.2	0.4	36.7	36.1	2.3	2.7
Avg. (simple)				18.2	16.1	24.4	23.4	-	-	10.4	9.2	2.8	2.4	-0.5	-0.4	22.5	22.2	2.1	2.4
Low				14.4	13.3	20.9	19.1	0.0	0.0	7.9	7.6	0.7	0.6	-1.1	-1.3	8.3	8.3	1.9	2.1

Source: AF Research, Bloomberg

3. Peer Group EU, US, Asia

Sector	Ticker	Country	Mcap (€ bn)	P/E x		RoE (%)		P/BV x		EV / EBITDA x		EV / Sales x		Net Debt / EBITDA x		EBITDA Margin (%)		Div Yield (%)	
				22	23	22	23	22	23	22	23	22	23	22	23	22	23	22	23

EU - UK

Profile Systems	PROF GA	GR	0.1	32.3	23.3	9.5	9.5	3.0	2.7	10.3	8.2	2.8	2.3	-1.7	-1.6	27.2	27.4	1.1	1.5
Temenos	TEMN SW	SZ	8.0	28.1	24.7	49.2	38.8	13.1	9.9	19.2	16.4	9.3	8.4	1.2	0.5	46.6	47.6	0.9	1.0
Crealogic Holding	CLXN SW	SZ	0.2	128.4	19.9	3.2	20.7	4.3	3.9	-	14.1	1.5	1.4	0.5	-0.3	4.3	9.9	-	-
Wolters Kluwer	WKL NA	NE	23.8	25.4	23.3	38.6	38.2	9.0	8.0	16.1	15.0	5.2	5.0	1.3	1.1	32.2	33.0	1.7	1.8
Sword Group	SWP FP	LX	0.4	20.3	18.0	16.7	17.6	3.4	3.1	10.6	9.3	1.3	1.2	-1.1	-1.1	13.0	13.2	3.3	3.4
Cerved Group	CERV IM	IT	2.0	16.5	16.0	21.8	22.6	3.0	2.8	-	-	4.6	4.5	-	-	44.2	44.9	2.7	3.1
SimCorp	SIM DC	DE	3.4	30.2	26.9	33.3	32.9	9.5	8.3	21.2	19.0	6.3	5.9	-0.3	-0.5	29.8	30.4	1.4	1.5
TietoEvry Oyj	TIETO NO	FI	3.1	10.8	10.2	13.8	14.8	1.7	1.7	7.3	6.7	1.3	1.3	1.1	0.8	17.5	18.1	5.6	5.8
Computershare	CPU AU	AU	7.7	27.3	22.7	14.7	18.1	4.1	4.1	15.0	12.8	3.7	3.4	2.3	1.9	26.2	27.5	2.4	2.5
Linedata Services	LIN FP	FR	0.3	10.7	11.0	16.1	14.2	1.9	1.7	6.2	5.8	2.0	2.0	0.9	0.5	30.3	29.5	3.2	3.1
IDEAGEN	IDEA LN	GB	0.9	35.7	31.3	8.3	10.3	-	-	25.1	20.6	8.3	7.0	0.3	0.5	33.4	34.4	0.2	0.2
Gresham Technologies	GHT LN	GB	0.2	28.4	-	-	-	3.0	-	14.8	-	3.3	-	-1.0	-	21.9	-	0.5	-
Aptitude Software	APTD LN	GB	0.4	41.7	30.8	12.3	15.7	-	-	27.5	20.9	3.9	3.5	-0.1	0.0	16.7	19.4	1.2	1.4
HIS Markit	INFO US	GB	41.3	33.2	29.7	10.4	11.7	4.9	5.0	22.6	20.6	10.7	10.1	1.4	1.1	46.1	46.9	0.7	0.5

* Market Cap in mn euros

High				128.4	31.3	49.2	38.8	13.1	9.9	27.5	20.9	10.7	10.1	2.3	1.9	46.6	47.6	5.6	5.8
Avg. (simple)				33.6	22.0	19.9	21.3	5.3	4.9	16.9	14.7	4.7	4.5	0.5	0.4	27.9	29.6	2.0	2.2
Low				10.7	10.2	3.2	10.3	1.7	1.7	6.2	5.8	1.3	1.2	-1.1	-1.1	4.3	9.9	0.2	0.2

US

Profile Systems	PROF GA	GR	0.1	32.3	23.3	9.5	9.5	3.0	2.7	10.3	8.2	2.8	2.3	-1.7	-1.6	27.2	27.4	1.1	1.5
EBIX Inc	EBIX US	US	0.8	-	-	-	-	-	-	-	-	2.6	-	-	-	30.9	-	-	-
SS&C Technologies	SSNC US	US	17.8	15.1	14.2	22.7	22.2	3.0	2.8	11.6	10.7	5.0	4.8	2.2	1.7	41.0	41.2	0.9	0.9
Fiserv Inc	FISV US	US	61.1	16.4	14.2	12.3	13.0	2.0	1.8	12.6	12.0	5.5	5.1	2.6	2.8	42.7	43.3	0.0	0.0
Broadridge Fin. Solutions	BR US	US	16.1	24.5	22.3	32.1	31.8	9.2	7.9	17.2	15.4	4.0	3.8	2.7	2.3	22.6	23.6	1.6	1.8
Envestment Inc	ENV US	US	3.5	28.2	23.6	13.9	19.9	3.9	3.6	14.6	11.7	3.3	2.9	0.8	0.2	21.0	22.1	-	-
Fidelity National Info Serv	FIS US	US	60.0	15.2	13.5	9.6	10.7	1.5	1.4	12.6	11.3	5.8	5.4	2.4	2.1	44.9	46.1	1.6	1.8
Bottomline Technologies	EPAY US	US	2.2	50.0	42.7	-	-	-	-	23.3	-	4.9	4.4	-0.6	-	20.3	20.5	0.0	0.0
ACI Worldwide Inc	ACIW US	US	3.5	16.5	15.0	-	-	-	-	-	-	3.5	3.3	-	-	28.6	29.2	-	-
Coupa Software Inc	COUP US	US	8.4	-	171.2	5.2	3.0	9.6	10.2	-	-	14.7	12.0	3.4	2.0	12.8	13.5	0.0	0.0
PegaSystems	PEGA US	US	6.6	-	-	9.4	13.0	13.2	12.0	-	34.1	5.3	4.5	2.2	2.0	11.1	13.4	0.1	0.1
Workiva Inc	WK US	US	5.0	-	-	-17.8	19.4	-	-	-	-	10.3	8.7	-	-	-1.3	2.3	-	-
Q2 Holdings	QTWO US	US	3.2	-	-	3.0	4.3	7.4	8.3	-	-	6.6	5.6	-7.6	-4.1	7.1	9.4	0.0	0.0

* Market Cap in bn euros

High				50.0	171.2	32.1	31.8	13.2	12.0	23.3	34.1	14.7	12.0	3.4	2.8	44.9	46.1	1.6	1.8
Avg. (simple)				23.7	39.6	10.0	15.3	6.2	6.0	15.3	15.9	6.0	5.5	0.9	1.1	23.5	24.1	0.5	0.6
Low				15.1	13.5	-17.8	3.0	1.5	1.4	11.6	10.7	2.6	2.9	-7.6	-4.1	-1.3	2.3	0.0	0.0

Asia

Infosys	INFO IN	IN	89.1	33.5	28.2	29.7	33.8	10.1	9.0	22.4	19.0	6.1	5.2	-0.9	-0.9	26.5	26.5	1.9	2.2
---------	---------	----	------	------	------	------	------	------	-----	------	------	-----	-----	------	------	------	------	-----	-----

* Market Cap in bn euros

Note: (1) Extreme values were discarded, marked as "-", as winsorizing the data was out of scope of the current exercise ;

(2) Prices as of Jan. 21 '22

Source: AF Research, Bloomberg

Appendix 4. ESG Scores

E (Environmental)			
		Complete	Comments
Climate Risk	Total GHG CO2 Emissions	n/a	planning major office refurbishments aiming in material energy savings
	GHG Scope 1	n/a	planning major office refurbishments aiming in material energy savings
	GHG Scope 2	n/a	planning major office refurbishments aiming in material energy savings
	GHG Scope 3	n/a	planning major office refurbishments aiming in material energy savings
	Total GHG CO2 Emissions Intensity per Sales	n/a	planning major office refurbishments aiming in material energy savings
	Renewable Energy Use	n/a	planning major office refurbishments aiming in material energy savings
	Climate Change Policy	n/a	planning major office refurbishments aiming in material energy savings
Resource Efficiency	Total Energy Consumption	n/a	planning major office refurbishments aiming in material energy savings
	Energy Intensity per Sales	n/a	planning major office refurbishments aiming in material energy savings
	Water Intensity per Sales	n/a	planning major office refurbishments aiming in material energy savings
	Total Water Use	n/a	planning major office refurbishments aiming in material energy savings
	Total Waste	n/a	planning major office refurbishments aiming in material energy savings
	Waste Recycled	n/a	planning major office refurbishments aiming in material energy savings
	Biodiversity Policy	Select below	planning major office refurbishments aiming in material energy savings
Emissions	Water Policy	Select below	planning major office refurbishments aiming in material energy savings
	SOx Emissions per Sales	n/a	planning major office refurbishments aiming in material energy savings
	NOx Emissions per Sales	n/a	planning major office refurbishments aiming in material energy savings
S (Social)			
		Complete	Comments
Human Capital Management	Number of Employees	184.00	
	Women Management to Employees Ratio	6.00%	
	Pct Women in Workforce	25.00%	
	Employee Turnover Pct	10.00%	
	Pay Gap Breakout	N	
	Equal Opportunity Policy	Y	diversity policy
	Anti-Bribery Ethics Policy	Y	employee handbook
	Employee Protection / Whistle Blower Policy	N	
	Pct Employees Unionized	0%	
	Employee Training Cost	30,000	in aggregate
Health and Safety	Total Hours Spent by Firm - Employee Training	1,600	
	Total Recordable Incident Rate - Employees	0.00%	
	Lost Time Incident Rate - Employees	0.00%	
Supply Chain	Health and Safety Policy	Y	
	Percentage Suppliers Audited	>90%	
	Policy Against Child Labor	N	
	Fair Remuneration Policy	Y	
	Human Rights Policy	Y	
G (Governance)			
		Complete	Comments
Remuneration	Pct Non Executive Directors on Comp Committee	100%	
	Clawback Provision for Executive Compensation	n/a	
IndependenBI	CEO Duality	N	
	Pct Non Exec Directors on Board	43.00%	
	Pct Independent Directors	28%	
Audit	Board Size	7 persons	
	Pct of Independent Directors on Audit Committee	67%	
	Pct Non Executive Directors on Audit Committee	100%	
	Audit Committee Meeting Attendance Percentage	100%	
	Independent Audit Committee Chairperson	Y	
Shareholder Rights	Years Auditor Employed	5 years	
	Dual Class Unequal Voting Rights - Common Shares	Y	
Diversity	Percent of Executives that are Women	20%	
	Percent of Board Members that are Women	14%	
Entrenchment	Number of Board Members Serving Over 10 years	5	
	Average Board Tenure	15	
	Average Exec Tenure	15	
	Chief Executive Officer Tenure	1	
Overboarding	Chairman Tenure	31	
	Pct of Executive Directors on 3+ Boards	28%	
	Number of Board Positions CEO Holds	3	
	Number of Board Positions Chair Holds	5	
Consumer	Number of Executive Positions Chair Holds	same as above	
	Consumer Data Protection Policy	Y	

Source: Profile Software

Appendix 5. Product Portfolio

Banking

FMS.Next

A modular fully integrated modern banking platform that can deploy tailor-made solutions from pre-integrated modules, with open architecture ensuring easily adjusting to specific business third party models, offered either on premises, in the cloud, or on a SaaS model, supporting a rich library of APIs to provide compliance with PSD2 and Open Banking requirements.

It offers the entire spectrum of banking activities, both retail and corporate, traditional, as well as branchless or challenger banks, FinTech start-ups and Debt Servicers. It effectively addresses the needs of Private Banks, Universal, Digital Banks or EMIs¹⁰, Leasing Institutions and Crowdfunding/Marketplace Lending platforms. It also covers the full spectrum of functional requirements in accordance with the Islamic principles of Sharia Law, including regional language preference and conformity to AA0IFI international standards.

FMS.Next Payments

A solution that supports several channels, including users, payment schemes (STP etc) and Interbank networks (SWIFT, SEPA, DIAS etc), fully compliant with current and upcoming standards and regulations, with its Payment Hub functionality and APIs library also supporting RTP¹¹ schemes and accounts to e-Wallets.

Finuevo

The new mobile-first **cloud-native digital banking platform** can be deployed in the cloud, on-premises or as SaaS. It enables digital transformation of financial institutions, EMIs or, FinTechs, allowing for client onboarding as well as personalized services.

Acumen.plus

An open cloud-native full front, middle, back-to-risk platform for the **Treasury and Capital Markets**, available in cloud or SaaS, covering all instruments and markets. Its open-scalable architecture allows for automatic and real-time interface with Market data providers (Bloomberg, Refinitiv etc) and Dealing systems, with powerful reporting tools, MiFID II, EMIR and IFRS9 requirements accommodated and fully supporting cryptocurrencies.

The platform is the evolution of Acumen-net, developed by **Login SA** based in Paris that was acquired by Profile Software in 2017. It can be implemented as stand alone or integrated with any core banking system.

GS Market

A complete online fully customizable financial data service for the Stock Exchange market, mainly for Greece and Cyprus, offered via the Internet or satellite communication channels that includes a rich technical analysis module and dynamic interface for Metastock®, Excel etc.. It is also equipped with an order-routing mechanism, ODL and OMnet connections, FIX client and gateways for third party links, allowing for online trading for spot and derivative markets in real-time.

GS Trader

A solution for traders in investment or brokerage firms, banks or private investors. It can operate as a primary multi-market order routing system or in parallel with other 3rd party systems. It offers portfolio evaluation, Profit-Center management, while it combines information from back-office and front-to-back compliance checks.

Plexus app

Provides real-time market data streaming and news on mobile devices (@ iphone/ipad) for retail clients, also providing a white-label solution for professionals.

Registry

The most efficient and widely used interface in the Greek market for Shareholders Registry Management. It covers all regulatory obligations for ATHEX listed companies,

¹⁰ **EMI:** Electronic money Issuer

¹¹ **RTP:** Request to Pay

also offering a complete IR communication strategy tool including letters management (labels & templates), fax and e-mail services. Optional modules include Shareholders General Meetings, MIS Pricing, Autogrouping, IR Reporting and IR Management.

Profile Vote

A system that fully supports remote voting according to SDR II and digital requirements, with users experiencing enhanced automation which enables proxy or 'bulk' voting.

Investment Management

Axia Suite

A web-based, omni-channel MiFID II enabled investment management solution, covering client onboarding/CRM/document & compliance management, portfolio risk management, robo-advisory, discretionary management services, AI, analytics and reporting, GIPS-compliant performance measurements that can be offered on-premises or in the cloud. It also accommodates **Fund Management** operations and also extends services to client portfolio management. **Custodian** requirements are also covered, including custody fees calculation, SWIFT messaging connectivity, compliance and tax related reporting (FATCA, CRS).

IMSplus

An award-winning platform, supporting all asset classes, with complete KYC and CRM tools, tailored services per clients, MiFID II and GRP compliant. The platform has migrate to Axia Suite and any existing client contracts are supported and offered the option to migrate to the new platform.

Mobius Wealth

A Native Wealth Management front-end platform (Web-based or mobile) also offered as White-Label, that can connect to any back-end system, providing the Wealth clientele a personalized experience including real-time portfolio monitoring, advisory tools, transactions, trading, documents etc.

Risk & Compliance

Profile Software

Risk management solutions deliver a holistic approach to the requirements covering the areas of Treasury, Wealth Management and Banking. The **AML/CFT Compliance solution** helps financial institutions to comply with AML Regulations, including KYC profiling, client scoring and history and transactional behavior analysis (Products: FMS.next/RiskAvert). Its **Market Risk solution** provides compliance for the internal model approached (VaR) and facilitates market risk measurement with sensitivity analyses (Products: Axia Suite/IMSplus/FMS.next/RiskAvert).

Its state-of-the-art **Governance Risk & Compliance (GRC) solution** supports conformity with recommended standards, enabling capturing enterprise-wide loss event, while it includes scorecard reporting with key risk indicators (KRIs) and metrics (Products: FMS.next/RiskAvert). Its **Capital Management (Basel) solution** fully supports Basel IV requirements, including credit scoring modeling calculations, MIS Basel and Regulatory reporting tools, integrating IFRS9 impairments approach, while it includes Economic Capital models and an integrated Stress Testing Framework (Products: FMS.next/RiskAvert).

RiskAvert

A risk management solution for financial institutions that covers all approaches for operational, market and credit risk calculation, also allowing for evolution from the standardized towards the IRB¹² approaches. It also supports Repo and OCT credit derivatives netting. Its comprehensive cube-based MIS reporting engine supports XBRL

¹² **IRB**: Internal ratings-based

submissions, Supervisory disclosure requirements, with multiple group or individual consolidation profiles functionality.

Business solutions

Profile Software

Delivers applications with comprehensive DevOps automations, modern project management methodologies and tools.

This page is intentionally left blank

**Alpha Finance Investment Services Single Member S.A.**

Member of the Athens Exchange
Member of the Cyprus Stock Exchange
General Commercial Registry (G.E.M.I.) Nr. 1176701000
Regulated by Hellenic Capital Market Commission, License Nr.42/13.04.1989

5 Merlin Street, GR- 106 71 Athens, Greece
TEL: +30 210 367 7400, FAX: +30 210 331 1193
www.alphafinance.gr
reception@alphafinance.gr

Disclosure Appendix**Disclaimer**

This report is prepared by Alpha Finance Investment Services Single Member S.A. ('Alpha Finance'), a wholly owned subsidiary of Alpha Bank S.A., regulated by the Hellenic Capital Market Commission (HCMC). This report by no means provides investment advice as to any financial instruments contained herein. It may not be reproduced in any manner or distributed to any other person or published, in whole or in part, without the prior written permission of Alpha Finance and is not directed to any person in any country in which this distribution is not allowed by applicable laws. Neither Alpha Finance nor any of Alpha Finance's directors, officers or employees shall bear any liability whatsoever for the actions of third parties in this respect. The investments discussed in this report may be unsuitable for investors and are subject to risks, including the risk of capital loss of the capital invested.

This report is intended for informational purposes only and any information or opinion contained herein constitutes a judgment as at the date indicated, is subject to change without notice and Alpha Finance is under no obligation to update such information. Any information provided in this report does not constitute or implicitly substitutes a recommendation for the purchase, sale, subscription, exchange or redemption fully or partially of a financial instrument. It cannot thus be considered as a solicitation or provision of investment advice whatsoever. Individuals make investment decisions on their own free will and by no means should they rely on this report as a substitute of independent investment advice, but they should take into account their particular investment objectives, financial situation or needs. Alpha Finance does and seeks to do business with companies contained in this report. Consequently, investors should be aware that Alpha Finance may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as a single factor in making their investment decision. Alpha Finance has established an effective policy in order to identify and manage circumstances that may constitute a conflict of interest that could arise in Alpha Finance's research division in relation to other Alpha Finance's divisions and/or members of the Alpha Bank Group ("Chinese Walls"). Alpha Finance has established policies in order to comply with the EU market abuse regulations.

This report is based on public information, opinions, sources and statistical data believed in good faith to be reliable, without having been independently verified. Accordingly, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information contained in this report.

Alpha Finance Investment Services Single Member S.A. acts as a market maker on the shares of the following companies/ETFs (Total: 18)

Alpha Services & Holdings, Athens Water, Autohellas, Cenergy Holdings, Viohalco, PPC, National Bank, ElvalHalcor, Ellaktor, Iktinos, Mytilineos, Opap, Hellenic Telecom, Papoutsanis, Thrace Plastics, Eurobank Services & Holdings, Piraeus Financial Holdings, Alpha ETF FTSE Athex Large Cap Equity UCITS. (Source: Athens Exchange, as of Oct 18, 2021)

Alpha Finance Investment Services Single Member S.A. acts as a market maker on the stock futures of the following companies/indices (Total: 26)

FTSE Athex Large Cap Index stock futures & options, Alpha Services & Holdings, Cenergy Holdings, Coca Cola HBC, Intracom Holdings, Jumbo, Lamda Development, MIG, Viohalco, Admie Holding, Gek Terna, PPC, National Bank, Ellaktor, Hellenic Petroleum, Hellenic Exchanges, Athens Water, Intralot, Motor Oil, Mytilineos, Opap, Hellenic Telecom, Piraeus Financial Holdings, Terna Energy, Eurobank Services & Holdings, Titan Cement Intl, FTSE/ATHEX Large Cap. (Source: Athens Exchange, as of Oct 18, 2021)

Alpha Finance Investment Services Single Member S.A. acts as a market maker on the bonds of the following companies (Total: 1)

Prodea REIC (Source: Athens Exchange, as of Oct 18, 2021)

Alpha Finance or any legal person belonging to the Alpha Bank Group is part to an agreement with the following companies for the production of this report: None

Alpha Finance does not hold shareholdings exceeding 0.5% of the total issued share capital in any of the subject companies mentioned in this report.

None of the subject companies mentioned in this report holds shareholdings exceeding 5% of the issued total share capital of Alpha Finance or any of the legal persons belonging to the Alpha Bank Group, with the exception of Alpha Bank S.A..

Analyst Certification/Compensation

The analysts mentioned in this report declare that their views about the companies/securities analyzed herein reflect their personal views and do not directly or indirectly relate to any kind of compensation in exchange for specific recommendations or views.

Scheduled Frequency of Updates

Alpha Finance produces updates regarding companies on a daily or/and weekly or/and monthly or/and quarterly or/and yearly basis or/and dates around financial results announcements or/and specific company developments, based on publicly available information. Analysts' compensation is not directly or indirectly related to any kind of views expressed in this report.

This material should be treated as a marketing communication for the purposes of Directive 2014/65 EU (MiFID II). Alpha Finance does and seeks to do business with companies, contained in this report. Consequently, investors should be aware that Alpha Finance may have a conflict of interest that could affect the objectivity of this report. Investors should consider information herein as only a single factor in making their investment decision.

Please refer to important disclosures in the Disclosure Appendix



AF Equity Research Ratings Distribution					as of : 22 Jan 22
New Rating	AF Universe	IB Clients	AF Universe %	IB Clients %	
Buy	18	3	72	43%	
Sell	0	0	0	0%	
Hold	0	1	0	14%	
Under Review	5	2	20	29%	
Not Rated	1	1	4	14%	
Restricted	1	0	4	0%	
Total	25	7	100%	100%	

Investment Banking (IB) services provided over the past 12 month period
Source: Alpha Finance, Alpha Bank

AF Equity Research Ratings Distribution					as of : 22 Jan 22
Old Rating	AF Universe	IB Clients	AF Universe %	IB Clients %	
Outperform	18	3	72	43%	
Underperform	0	0	0	0%	
Neutral	0	1	0	14%	
Under Review	5	2	20	29%	
Not Rated	1	1	4	14%	
Restricted	1	0	4	0%	
Total	25	7	100%	100%	

Important Note: As of Feb. 01 2020, AF incorporates a new Proprietary rating system. A comparison ratings distribution is seen above

Company specific regulatory disclosures

- Alpha Finance and/or members of the Alpha Bank Group have acted as manager/co-manager/adviser in the underwriting or placement of securities of the subject company within the past 12 months
- Alpha Finance and/or members of the Alpha Bank Group have received compensation for investment banking services from the subject company within the past 12 months
- Alpha Finance acts as a market maker in the securities of the subject company
- Alpha Finance and members of the Alpha Bank Group own five percent or more of the total issued share capital of the subject company
- The subject company and its affiliate(s) own five percent or more of the total issued share capital of Alpha Finance and members of the Alpha Bank Group
- Alpha Finance has sent the research report to the subject company prior to publication for factual verification
- Following 6, Alpha Finance has changed the contents of the initially sent research report, with respect to: no change
- Alpha Finance has received compensation from the subject company for the preparation of this research report

Rating History : Profile Software						as of : 22 Jan 22
Date	Rating	Price	Target Price	IB Client	Specific Disclosures	
24 Jan 22	-	€ 6.62	-	-	6,7,8	

Important Note: Alpha Finance can proceed with updated reports on Profile Software based on the agreement between the two parties.

Rating System

Alpha Finance incorporates a proprietary rating system which is based on two factors, an Investment Rating and a Risk Rating.

Investment Rating

The investment rating is based on the total expected return over a 12-month period, as described below. Seven distinct categories are used: Buy / Sell / Neutral / Under Review / Not Rated / Restricted / Sponsored Research. In several occasions, subject to qualitative factors, ESG criteria (Bloomberg & Reuters), analyst judgment based on macro/micro prospects, the investment rating applied may fall out of the brackets described in the definitions, outlined below:

Definitions of Proprietary Risk Rating system terms

Total Return (TR)	Price appreciation + Dividend yield
Buy	The total return (TR) is expected to be > 15% over the next 12-month period
Sell	The total return (TR) is expected to be < -15% over the next 12-month period
Hold	The total return is expected to be [-15%, +15%] over the next 12-month period
Under Review	The stock is under review
Not Rated	The stock is not rated
Restricted	The stock is restricted from rating
Sponsored Research	The stock is covered under sponsored research agreement

Proprietary Risk Rating

The proprietary risk rating system incorporates liquidity-volatility-qualitative criteria, which categorizes a risk rating into three categories:

High Risk, Medium Risk, Low Risk

Liquidity criteria are based on tradability-Free Float data

Volatility criteria are based on 1yr volatility metrics updated twice a year

Qualitative criteria are based on analyst judgement which takes into account macro/micro prospects

This material should be treated as a marketing communication for the purposes of Directive 2014/65 EU (MiFID II). Alpha Finance does and seeks to do business with companies, contained in this report. Consequently, investors should be aware that Alpha Finance may have a conflict of interest that could affect the objectivity of this report. Investors should consider information herein as only a single factor in making their investment decision.



For U.S. persons only

This report is a product of Alpha Finance, which is the employer of the research analyst(s) who has prepared the informative report. The research analyst(s) preparing this report is/are resident(s) outside the United States (U.S.) and is/are not associated person(s) of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations.

This report is intended for distribution by Alpha Finance only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by the U.S. Securities and Exchange Commission (SEC), in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor, as specified above, then he should not act upon this report and return it to the sender. Further, this report may not be copied, duplicated and/or transmitted to any U.S. person, which is not a Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC, in order to conduct certain business with Major Institutional Investors, Alpha Finance has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this report should be effected through Marco Polo or another U.S. registered broker dealer.

© 2022 Alpha Finance. All rights reserved.

This report may not be reproduced or redistributed, in whole or in part, without the written permission of Alpha Finance and Alpha Finance accepts no liability whatsoever for the actions of third parties in this respect.

Alpha Finance Investment Services Single Member S.A.

Member of the Athens Exchange

Member of the Cyprus Stock Exchange

General Commercial Registry (G.E.M.I.) Nr. 1176701000

Regulated by Hellenic Capital Market Commission, License Nr.42/13.04.1989

5 Merlin Street, GR- 106 71 Athens, Greece

TEL: +30 210 367 7400, FAX: +30 210 331 1193

www.alphafinance.gr

reception@alphafinance.gr

<p>Equities Research Nikos Katsenos, CFA Director</p>	<p>Sales & Trading George Goufas Associate Director</p>	<p>Derivatives Equities Market Making & International Markets</p>	<p>Private Clients Konstantinos Kostoulas Director</p>
<p>Ioannis Noikokyraakis</p>	<p>Sales Foreign Institutions Zoi Tsoukali</p> <p>Sales Domestic Institutions Chris Xikis Dimitris Athanasopoulos</p> <p>Sales & Trading Institutions Giota Kouli</p>	<p>Derivatives Equities Market Making Andreas Markogiannis Christina Vasileiou</p> <p>International Markets Sales & Trading Sofia Giannakou Eleni Triantafyllou</p>	<p>Sales & Trading Greek Equities & Derivatives Stavroula Galani Efthymia Gkikopoulou Lazaros Koutromanos Leonidas Kyriakopoulos</p>
<p>TEL + 30 210 367 7545 research@alphafinance.gr</p>	<p>TEL + 30 210 367 7480</p>	<p>TEL +30 210 367 7483 market-making@alphafinance.gr TEL +30 210 367 7460 internationalmarketstrading@alphafinance.gr</p>	<p>TEL + 30 210 367 7420 / 7440 privateclients@alphafinance.gr</p>

This material should be treated as a marketing communication for the purposes of Directive 2014/65 EU (MiFID II). Alpha Finance does and seeks to do business with companies, contained in this report. Consequently, investors should be aware that Alpha Finance may have a conflict of interest that could affect the objectivity of this report. Investors should consider information herein as only a single factor in making their investment decision.

Please refer to important disclosures in the Disclosure Appendix