QPR

QPR Software Plc

Annual Report 2024

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Our purpose, strategy and markets

OUR PURPOSE IS TO HELP ORGANIZATIONS REACH THEIR FULL OPERATIONAL POTENTIAL

QPR Software’s mission is to innovate, develop and deliver software for analyzing, monitoring, and modeling the organizations’ operations.

The company also offers professional services to ensure that customers get full value from the software and related methods.

We help our customers drive process and business transparency, ensure that their operations are run as required and designed, and create actionable intelligence where modern AI meets thought leadership.

By providing organizations with the technologies and methods to transform the invisible into visible and the unknown into manageable, they are empowered to reach long-lasting, continuous results.

OUR STRATEGY AND STRATEGIC TARGETS

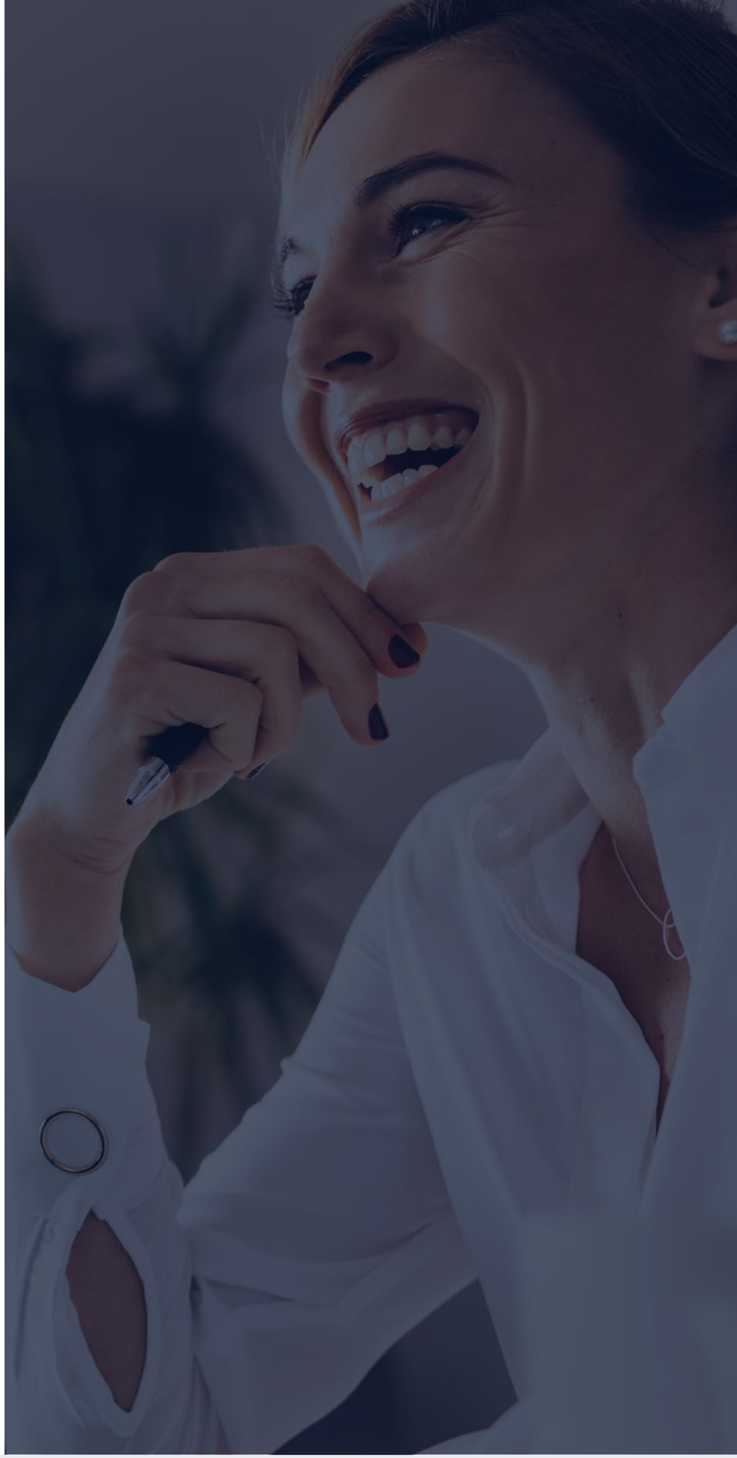
QPR Software Plc refined its current strategy in December 2023 to reflect market changes and the Company's priority areas and announced renewed financial goals for the strategy period 2024-2027.

In accordance with the refined strategy, the Company profiles itself even more strongly as a software and SaaS player and as a consultant for its core business areas as well as a leading player in Digital Twin of an Organization (DTO) technology. The aim of the refined strategy is to further increase the value the Company produces for its customers and to support the Company's growth through concentration. The Company's mission is to innovate, develop and deliver software for analyzing, monitoring, and modeling the organizations’ operations. The Company also offers consulting services to ensure that customers get full value from the software and related methods.

In accordance with the adjusted strategy (2024–2027), the Company focuses its business on the international growth of SaaS solutions offered by Digital Twin of an Organization (DTO) and the process mining at its core. The Company's DTO offering also includes software developed for modeling and managing and measuring the organization's strategy and performance.

The Company's revised financial goals for the strategic period 2024–2027 are average twenty (20) percent annual SaaS growth, and sustainable operating profit.

The Company also continues to build new strategic partner networks in accordance with the strategy announced on March 10, 2022, to achieve a scalable Go-to-Market model, expand its own offering and improve the value it provides to its customers together with technology and implementation partners. The Company concentrates its growth investments in Europe and the Middle East and, through a partner network, on new market areas such as North America.



THE CURRENT STATE OF OUR MARKETS

QPR Software reports its geographical regions as Finland, the rest of Europe (including Turkey), and the rest of the world.

The company has its own sales personnel in Finland and the United Arab Emirates. Growth investments are focused particularly on the European and Middle Eastern markets. In addition, QPR seeks to expand its customer base in new markets, such as North America, through a strong partner network.

QPR works in close collaboration with local partners to strengthen its market position and respond to regional customer needs. The goal is scalable international growth by combining in-house expertise, advanced technology, and the power of the partner network.

REVIEW BY THE CEO

The year 2024 marked a significant turning point for QPR Software. We have systematically advanced our strategy, expanded our partner network, and strengthened our position in the international process mining market. The initiatives launched in the previous year—including organizational adjustments, a sharpened focus on core business, and the establishment of a sustainable cost structure—have been in full swing throughout 2024, driving growth and reinforcing the foundation of our business.

In October–December, net sales grew by 23% compared to the same period in the previous year. This growth was driven by successful deals in North America and the Middle East during the final quarter of the year. SaaS revenue increased by 14%, while software net sales grew by 44%. EBITDA reached 275 thousand euros, representing a 1,020% increase from the comparison period. This marked the ninth consecutive quarter of improved results compared to the corresponding period.

Recurring revenue for the fiscal year 2024 amounted to 4,858 thousand euros. Its share of total revenue increased from 61% to 73% during the year. For the full year, revenue declined due to our decision at the end of 2023 to discontinue non-core consulting services in Finland.

In the 2024 financial year, EBITDA rose to 1,020 thousand euros, an increase of 838 thousand euros compared to the previous period, accounting for 15% of net sales. We are very pleased with this development and will continue building growth in 2025, which is expected to be reflected in the profitability figures.

Market Entry in North America and Strong Growth in the Middle East

We initiated our market entry in North America and moving forward, we will strengthen our position in the region through new partnerships that offer long-term growth opportunities. Additionally, we signed an agreement with a U.S.-based financial services company that selected QPR ProcessAnalyzer to support the optimization of its business processes.

Our international operations also strengthened in the Middle East, where several deals were recorded in the final quarter, including an agreement with a leading Saudi Arabian financial services company. The growth of the Middle Eastern market and the increasing interest of local businesses in process mining solutions provide us with a strong foundation for further expansion in the region.

Product Innovation and Snowflake Partnership

The most significant achievement in product development in 2024 was the launch of our flagship product, QPR ProcessAnalyzer, on the Snowflake Marketplace. This new deployment model modernizes the software acquisition process, enabling faster and more cost-effective adoption for our customers. The launch marks a key milestone in our strategic partnership with Snowflake and strengthens our position in the market as an innovative player.

QPR Software Plc was recognized as a Visionary in the Gartner® Magic Quadrant™ for Process Mining Tools for the second consecutive year. This recognition reinforces our position as a leading player in the industry and reflects our long-term commitment to developing world-class solutions for our customers.

Strengthening Customer Relationships and Competitive Advantage

In 2024, we expanded our customer base, strengthened collaboration with existing clients, and won back customers from competitors. QPR gained particular interest due to its agile delivery model, personalized service, strong ROI, and low total cost of ownership (TCO).

The process mining market is shifting from a product-centric business model toward a platform economy, where software and data services integrate with large technology platforms, providing customers with a more flexible and efficient way to leverage process mining. QPR has been at the forefront of this transformation through strategic product innovations. Our focus on Snowflake technology supports long-term growth and strengthens our international position. However, realizing its full potential will require time and investments.

Long sales cycles are inherent to our business, meaning the timing of individual deals can lead to significant fluctuations in quarterly results. In the first half of 2025, we expect moderate growth, as some legacy product contracts expired at the turn of the year. However, our longer-term goals remain strong, and QPR is ready to seize the opportunities presented by market developments.

I would like to sincerely thank our customers, partners, and shareholders for their trust in our company. A special thank you also goes to our employees for their dedication and hard work—without it, we would not have achieved these results.

We remain committed to driving innovation, customer value, and long-term growth with determination.

Heikki Veijola

Chief Executive Officer

Board of Directors

Board of Directors

The Board of Directors oversees the company’s management and organizes the operations as appropriate. The Board validates the principles concerning the company’s strategy, organization, accounting, and financial control and appoints the company’s CEO. The Board's work is determined by the Board's rules of procedure, which e.g. determine the matters requiring consideration by the Board. The CEO is responsible for executing the company’s strategy and managing current matters in accordance with the instructions and regulations issued by the Board.

The Annual General Meeting of QPR Software Plc, held on May 15, 2024, elected the members of the Board of Directors. The meeting resolved that the Board will consist of four members. Pertti Ervi was re-elected as Chairman of the Board, and Antti Koskela and Jukka Tapaninen were re-elected as Board members. Linda von Schantz was elected as a new member of the Board. The Board members were elected based on the proposals of the Nomination Committee representing the shareholders of QPR Software Plc.

Due to the small scale of the company’s operations and the size of the Board, no committees were established.

MEMBERS OF THE BOARD OF DIRECTORS

Pertti Ervi
Chairman
of the Board
b. 1957, engineer

About
- Chairman of the Board since March 2021.

Key experience
- Independent management consultant and professional board member
- Computer 2000 AG, Co-CEO 1995 – 2000.
- Computer 2000 Finland Oy, Founding Member and Managing Director 1983 – 1995.

Key positions of trust
- Chairman of the Board, F-Secure Oyj, 2022 – present
- Member and Chairman of the Board, Chairman of the Audit Committee, WithSecure Oyj, 2003 – 2023
- Member and Chairman of the Board, Efecte Oyj, 2008 – present
- Chairman of the Board, Mintly Oy, 2017 – 2022
- Member of the Board, Pointsharp Holding AB, 2021 – present
- Member and Chairman of the Board, Teleste Oyj, 2009 – 2020
- Member and Chairman of the Board, Comptel Oyj, 2011 – 2017
- Chairman of the Board, Stonesoft Oyj, 2004 – 2007

Antti Koskela
Member of the Board
b. 1971
Master of Science in Technology

About
- Member of the Board since March 2021.

Key experience
- WithSecure Oyj, President and CEO 2024 – present
- WithSecure Oyj, Executive Vice President and Chief Product Officer, 2021 – present
- Elisa Oyj, Vice President, Business Development, 2020 – 2021
- Nokia Software, CDO and Vice President, 2018 – 2020
- Comptel, CTO and Executive Vice President, 2011 – 2017
- Nokia Siemens Networks, various managerial positions, 2007 – 2011
- Nokia Networks, various managerial positions, 1999 – 2007

MEMBERS OF THE BOARD OF DIRECTORS

Linda von Schantz
Member of the Board
b. 1973
Master of Science in Technology

About
- Member of the Board since May 2024.
- Independent of the Company and its significant shareholders

Key experience:
UPM-Kymmene Oyj, Vice President, Information Technology, 2022 - present
UPM Communication Papers, Vice President, Business Processes and Solutions, 2019-2022
UPM, various global expert and managerial positions, 2010-2022
ABB, various global expert and managerial positions, 2001-2010

Jukka Tapaninen
Member of the Board
b. 1963
M.Sc., Economics

About
- Member of the Board since March 2021.

Key experience
- Aiforia Technologies, CEO, 2020 – present
- Pegasystems, VP and Managing Director EMEA, APAC and Japan, 2016 – 2020
- SAP, Vice President Global/EMEA, 2005 – 2016
- Basware, SVP and General Manager, 2002 – 2005
- Stonesoft Inc, CEO Americas, 2000 – 2002
- HP, Regional and Global managerial roles, Sales and Business Development, 1995 – 2000

Key positions of trust
- Vice Chairman of the Board, Aiforia Oy, 2015 – 2020
- Member of the Board, WeVision Oy, 2014 – present
- Member of the Board, Meshworks Wireless Oy, 2011 – present
- Chairman of the Board, Addoro Ab, 2014 – 2017 (acquisition)
- Member of the Board, Findity Ab, 2013 – 2016
- Member of the Board, VeliQ B.V., 2015

EXECUTIVE MANAGEMENT TEAM

Heikki Veijola
CEO

b. 1970

Master of Science in Economics

About

- The Company's CEO since March 2023

Area of Responsibility

Heikki Veijola started as the CEO of QPR Software Oyj on March 1, 2023. As the CEO of QPR Software, Heikki Veijola is responsible for managing the running administration of the Company in accordance with the instructions and regulations issued by the Board of Directors. Veijola is also responsible for representing the Company, its operational management, sales and partner operations, human resources, and preparation of decisions and implementation thereof that belong to the Board of Directors.

Experience

Veijola has served as Enreach Oy's Director of Strategic Partnerships and a member of the executive management team, being responsible for business operations in the Microsoft and Salesforce ecosystems as well as for cooperation with system integrators, consultants, and other strategic partnerships, especially in Northern Europe. Before this, Veijola was the Sales Director of Enreach Oy.

Veijola has strong experience in building and renewing sales, international growth, partner ecosystems, and cloud- and SaaS (Software as a Service) businesses. During his career, Veijola has also worked for 11 years in Finland's largest marketing group Salomaa Group as a CEO of KASKI Agency, and advertising agency Adsek Oy, leading the companies through two industry transformations.

Education

Veijola has a master's degree in Economics (M.Sc., Turku School of Economics and Business Administration) majoring in International Marketing.

Taru Mäkinen
CFO

b. 1975

Master of Science in Economics

About

- Member of the Executive Management Team since October 2024.

Area of Responsibility

Mäkinen is responsible for QPR Software's finance and administration, including external and internal reporting, monitoring and managing the financial performance of the business, capital allocation and procurement. She also oversees investor relations, compliance with the Insider Trading Manual, coordination of risk management and treasury functions.

Experience

Mäkinen brings over 20 years of diverse experience in various leadership roles in financial management. Most recently, she served as the CFO of Casambi Technologies Oy and previously held a similar position at Efecte Plc.

Education

Taru holds a Master of Science degree in Economics and Business Administration.

Matti Erkheikki
Chief Product Officer

b. 1978

Master's Degree in Industrial Engineering and Management

About

- Member of the Executive Management Team since July 2007

Area of Responsibility

Matti Erkheikki is the head of QPR's product management unit and is responsible for QPR's products and the vision and strategy of the product portfolio. It is on Erkheikki's responsibility that the Company's products and their characteristics are in line with the organization's goals and that the product portfolio is constantly developed and improved in accordance with the needs of customers and target groups.

Experience

Erkheikki has been employed by QPR since 2002, first as a consultant, participating in QPR'as delivery projects both domestically and internationally. In 2005, Erkheikki worked as the company's development manager, and in 2006 as the regional manager responsible for the USA and Canada operations in California at QPR's American subsidiary. In the years 2007–2014, he as responsible for QPR's Finnish business and in the years 2012–2014 also for the global OEM business. Prior to his current position, since January 2015, he has held the role of Business Director, responsible for QPR's process mining and strategy management operations internationally.

Education

Erkheikki holds a master's degree in industrial engineering and management.

EXECUTIVE MANAGEMENT TEAM

Tero Aspinen
VP, Middle East Business

b. 1985
Master's Degree in Industrial Engineering and Management

About

- Member of the Executive Management Team since January 2017

Area of Responsibility

Tero Aspinen is responsible for QPR's business in the Middle East market and forsales an development of Performance Management software solutions globally.

Experience

Tero Aspinen has served QPR Software in various roles since 2008. He has been involved in more than a hundred customer cases where organizations have implemented QPR's solutions. Prior to his current role, Mr. Aspinen worked as Vice President for Middle East Business and Performance Management Solutions (2017–2022).

Education

Aspinen holds a Master's degree in Industrial Engineering and Management.

Sanna Salo
CMO

b. 1977
Master of Science in Economics
Certified Board Member (HHJ)

About

- Member of the Executive Management Team since February 2022

Area of Responsibility

Sanna Salo is responsible for the strategy, planning, development, and implementation of QPR Software's brand, marketing, communication, and stock exchange communication.

Experience

Salo has more than 20 years of experience of B2B business in the IT industry through various positions in sales, marketing, and communication. Before starting at QPR, Salo worked as the Marketing and Communications Director of B2B digital marketing solutions provider Fonecta Oy. Before Fonecta, Salo worked for ten years at International Business Machines Corporation (IBM), holding various management positions in marketing both in Finland and in the Nordic countries. Before this, Salo worked for nine years at Atea Finland Oy in a range of marketing, communication, and sales positions.

Education

Salo has a Master's degree in Economics (M.Sc., Turku School of Economics and Business Administration) majoring in marketing. Salo also has a Bachelor of Business Administrarion (B.Sc.) degree in international business from Häme University of Applied Sciences. In addition, Salo holds a Certified Board Member (HHJ) certification.

Teemu Lehto
Chief of Professional Services

b. 1970
Doctor of Science (Technology)

About

- Member of the Executive Management Team since March 2023

Area of Responsibility

Teemu Lehto is responsible for QPR's professional services business.

Experience

Teemu Lehto has worked in management and expert positions at QPR Software for over 20 years. During his long career at QPR, Lehto has been responsible for the consulting business, marketing and communication, product development, as well as sales and partnerships.

Before joining QPR, Lehto worked as CEO of Planway Oy, as the development manager of ICL Data Oy, and as the product development manager of ViSolutions Oy. He has also previously worked as a software engineer at Nokia Research Center and Systeemikonsultit Oy.

Education

Lehto holds a Doctoral degree in Technology.

EXECUTIVE MANAGEMENT TEAM

Mika Maliniemi
Chief Operating Officer

b. 1980
Degree in business information technology

About

- Member of the Executive Management Team since January 2024

Area of Responsibility

Maliniemi's area of responsibility includes QPR's software product development, cloud service development and production, and customer support services.

Experience

Mika Maliniemi has worked in management and expert positions for over 20 years. Maliniemi has a long career at QPR, where he has been responsible for partnerships and technical consulting. He has also led QPR’s Customer Care, Cloud Services, and the Technical Services units.

Outside QPR, Maliniemi worked at Mawell Plc, where he established and launched their customer support operations. He has also worked at TietoEvry as a manager, leading the customer support and deployments.

Education

Mika holds a degree in business information technology from Business School of Oulu.

Antti Kivalo
Sales Director

b. 1974
Master of Science in Economics

About

- Member of the Executive Management Team since September 2024.

Area of Responsibility

Antti Kivalo is responsible for developing and implementing QPR Software's sales strategy in global markets. He leads the sales team, fosters customer relationships, ensures the achievement of sales targets, and monitors market trends and competitive dynamics.

Experience

Kivalo has over 20 years of experience in management and sales roles within the IT industry at international technology companies. Before joining QPR, Kivalo served as the Sales Director at Verne, and prior to that, he was the Chief Commercial Officer at DataCenter Finland Oy and the Sales Director at Ambientia.

Education

Antti holds a Master’s degree in Economics and Business Administrations

QPR Software Plc

Board Review and Financial Statement 2024

Report of the Board of Directors

SUMMARY OF THE FULL YEAR 2024

- SaaS net sales increased by +15%
- Software net sales increased by +14%
- Net sales were 6,614 thousand euros, down -12% (7,750) due to company's discontinuation of consulting outside the core business.
- EBITDA was 1,020 thousand euros (182), a difference of +838 thousand euros from the corresponding period.
- The operating profit was -16 thousand euros (-813), a difference of +797 thousand euros from the corresponding period.
- Profit before taxes was -103 thousand euros (-924), a difference of +821 thousand euros from the corresponding period.
- The result was -82 thousand euros (-924), a difference of +842 thousand euros from the corresponding period.
- Earnings/share was -0.005 euros (-0.055)
- Cash flow from operations 806 thousand euros (849), a difference of -43 thousand euros from the corresponding period.

REPORTING AND BUSINESS OPERATIONS

QPR Software Plc is a pioneer in business process optimization solutions and has positioned itself as a leading player in Digital Twin of an Organization (DTO) technology and one of the most advanced process mining software companies in the world.

QPR innovates, develops, and delivers software for analyzing, monitoring and modeling the operations of organizations. The company also offers consulting services to ensure that customers get full value from the software and associated methods.

QPR Software reports one business segment, which is Organizational Development of organizations. In addition to this, the Company reports revenue from products and services as follows: Software licenses, Renewable software licenses, Software maintenance services, Cloud services, and Consulting.

The company's reported recurring revenues consist of SaaS net sales, maintenance services, as well as revenue from renewable licenses. Licenses are sold to customers for perpetual use or for an agreed, limited period. The revenue from SaaS and maintenance services is recorded monthly as recurring revenue over the contract period.

Renewable software licenses are sold to customers as a user right with an indefinite-term contract. These contracts are automatically renewed at the end of the agreed period, usually one year, unless the agreement is terminated within the notice. Renewable license revenue is recognized at one point in time, in the beginning of the invoicing period, yet at the earliest on the delivery.

The geographical areas reported are Finland, the rest of Europe (including Turkey), and the rest of the world. Net sales are reported according to the location of the customer's headquarters. Until 2023, the company provided consulting services, predominantly to public administration, which were unrelated to its core business. In the end of 2023, the company discontinued these activities. In the future, the company will prioritize offering consulting services tailored to the software it develops, aiming to deliver maximum added value to its customers.

The company began reporting the production costs of the cloud platform within the materials and services expense category starting from 2024. The figures for the comparative period will be presented at the end of this financial bulletin's table section, according to both reported and 2024 cost groupings.

NET SALES

The net sales for January–December was 6,614 thousand euros (7,550), marking a 12% decline compared to the previous year. This decrease was primarily due to the company's decision to discontinue non-core consulting services in Finland at the end of 2023. The share of recurring revenue in total revenue increased from 61% to 73%.

Our SaaS net sales, which is at the core of our strategy, grew by 15%, and software revenue increased by 14%. The share of software net sales in total revenue grew from 67 percent to 87 percent.

The net sales from software licenses was 926 thousand euros (485), reflecting a 91% increase. This growth was primarily driven by a higher volume of partner sales, particularly among customers in the Middle East, as well as the expansion of an existing agreement with a global pharmaceutical company. Additionally, the company achieved broader success in partner-driven sales across multiple geographic regions.

The net sales from renewable software licenses amounted to 420 thousand euros (504), a decrease of 17%. This decrease was driven by individual customers transitioning to the SaaS service model, customer churn, and negative exchange rate effects. These factors were partially offset by new customer acquisitions and price increases implemented to counter inflationary pressure.

The net sales from software maintenance services amounted to 1,717 thousand euros (1,720). The decline in net sales was negatively impacted by customer churn, a decline in revenue from individual customers, and, to a lesser extent, the transition of existing customers to the SaaS service model. The decline was partially offset by the expansion of cooperation with existing customers, the inclusion of Middle Eastern customers' projects under maintenance services, new customer contracts, and the previously agreed expansion with a global pharmaceutical company. Additionally, price increases to counter inflationary pressures and favorable currency exchange rate effects contributed to net sales growth.

SaaS net sales grew by 15% to 2,721 thousand euros (2,371). The growth was primarily driven by successful new customer acquisitions and the expansion of existing customer relationships. Price increases to counter inflationary pressure, as well as customers transitioning from licenses to the SaaS service model, also contributed to the growth. On the other hand, customer churn and revenue decline in certain accounts had a negative impact on SaaS revenue growth.

Consulting net sales was 830 thousand euros (2,469), a decrease of 66%, following the company's discontinuation of consulting services outside its core business in Finland. Additionally, the company recognized revenue from fixed-price projects in the Middle East according to their completion status during the first half of 2023. These projects were completed in the second quarter of the same year. In the comparison period, the company had a large customer project in Europe, but there was no similar project during this reporting period.

The Group's net sales was 39% (46) from Finland, 40% (42) from the rest of Europe (including Turkey) and 21% (12) from the rest of the world.

NET SALES BY PRODUCT GROUP

The Group's net sales consists of software and consulting business and was divided as follows:

	Group, IFRS (EUR 1,000)		
	2024	2023	Change %
Software licenses	926	485	91 %
Renewable software licenses	420	504	-17 %
Software maintenance services	1,717	1,720	0 %
Cloud services	2,721	2,371	15 %
Consulting services	830	2,469	-66 %
Total net sales	**6,614**	**7,550**	**-12 %**

NET SALES GEOGRAPHICALLY

The geographical areas reported are Finland, the rest of Europe including Turkey, and the rest of the world. Net sales are reported according to the customer's location.

	Group, IFRS (EUR 1,000)		
	2024	2023	Change %
Finland	2,579	3,499	-26 %
Europe incl. Turkey	2,656	3,128	-15 %
Rest of the world	1,379	923	49 %
Total net sales	**6,614**	**7,550**	**-12 %**

NET SALES DEVELOPMENT

The Group's EBITDA for January–December was 1,020 thousand euros (182), an increase of 838 thousand euros compared to the previous year. The operating result was -16 thousand euros (-813), showing an improvement of 797 thousand euros compared to the same period last year. The result for the period was -82 thousand euros, which is a significant improvement from the previous year (-924).

The active measures implemented by the company in 2023 to improve cost structure and develop business profitability are already partially visible in the first quarter of 2024 and fully realized by the third quarter.

The Group’s variable costs amounted to 1,026 thousand euros (1,241). The increase in costs was primarily driven by higher partner commissions, resulting from significant license deals won in the Middle East.

The company’s fixed costs amounted to 4,701 thousand euros (6,127), a decrease of 23% compared to the previous year. This decrease was driven by cost-saving programs implemented in the second and final quarters of 2023, as well as lower personnel expenses resulting from the outcomes of change negotiations. The full impact of the cost-saving measures realized starting from the third quarter of 2024. The effect of these savings was partially offset by lower R&D capitalizations and investments required for the reorganization of the company's operational activities.

Earnings per share were EUR -0.005 (-0.055) per share.

FINANCE AND INVESTMENTS

In 2024, the company's free cash flow, including cash flows from operations, investments, and office lease payments, totaled 436 thousand euros (108). The significant improvement in free cash flow resulted from stronger operating cash flow, a substantial decrease in investment-related cash outflows, and lower paid office lease expenses.

The cash flow from operations during the review period amounted to 806 thousand euros (849). The primary reason for this change compared to the comparable period was successful collection in the last quarter of 2023, particularly regarding the advanced license payments for 2024. Annual billing is mostly concentrated around the end of the year, making it seasonal.

The change in working capital was affected by higher sales commissions paid to the company's personnel for 2023, as well as holiday compensation for employees who left due to the change negotiations. The negative cash flow was also due to the fact that the largest new deals occurred in a market where payment behavior is slow.

The positive cash flow in the fourth quarter was primarily driven by successful collection of receivables and lower costs. Compared to the same period last year, a significant reduction in expenses is a key reason for the clear improvement in operational cash flow.

Net financial expenses amounted to 87 thousand euros (111), including exchange losses of 17 thousand euros (14).

Investments totaled 753 thousand euros (637), and those were mainly research and development investments and investments in leased assets.

The company’s net financing net cash flow for the period January–December was -539 thousand euros (639). The negative cash flow was primarily due to a scheduled loan repayment of EUR 500 thousand. Additionally, during the comparison period, the company raised 760 thousand euros through a directed share issue.

The group's financial situation is satisfactory. At the end of the review period, the group's cash and cash equivalents were 825 thousand euros (884). Short-term receivables were 2,024 thousand (1,706).

Euro-denominated receivables accounted for 80%, and 67% of invoices had not yet matured. Of the total amount of short-term receivables, the share of 1-30 days overdue receivables was 26%, 30-60 days 2% and more than 60 days 5%.

The Group has an available credit limit of 500,000 thousand euros, which remained unused at the end of the financial year.

At the end of the reporting period, the Group had bank loans totaling 1,000 thousand euros, of which 500 thousand euros was short-term, and 500 thousand euros was long-term debt. In accordance with the original financing agreement, the first installment of 500 thousand euros was due on January 31, 2024. After this, installments of 500 thousand euros will mature annually in January 2025 and 2026. The covenants related to the loan are based on the company's EBITDA and equity ratio. The EBITDA of the covenants is tested every six months, and the equity ratio is tested annually according to the situation on the last day of the year. Both covenants exceeded the agreed threshold in 2024.

The equity ratio increased to 11.9% (8.1%), driven by higher level of received advance payments and an improved financial result for the fiscal year.

The new lease agreement signed in June 2024 negatively impacts the company's equity ratio, as the IFRS 16 interest effect increases the lease liability by approximately 100 thousand euros.

PRODUCT DEVELOPMENT

QPR has positioned itself as a leading player in Digital Twin of an Organization (DTO) technology. The company innovates and develops software products that analyze, measure, and model the operations of organizations. The Company develops the following software products: QPR ProcessAnalyzer, QPR EnterpriseArchitect, QPR ProcessDesigner, and QPR Metrics.

Total product development expenses for the year amounted to 979 thousand euros (1,427), with 341 thousand euros (637) capitalized on the balance sheet. Product development depreciation was recorded at 919 thousand euros (782). The amortization period for capitalized development costs is four years.

PERSONNEL

At the end of the review period, the group employed 32 people (49). The average number of personnel in 2024 was 33 (57).

The average age of the personnel is 45 (46) years. Women account for 22% (22) of employees, and men for 78% (78). Of all personnel, 20% (13) work in sales and marketing, 31% (44) in consulting and customer care, 39% (33) in product development, and 9% (10) in administration.

Personnel expenses were 3,467 thousand euros (5,287), of which the share of salaries and bonuses was 2,955 thousand euros (4,425).

For incentive purposes, the company has a bonus program covering the entire personnel. The short-term compensation of the executive management consists of a base salary, fringe benefits, and a potential performance-based bonus. Additionally, the company has a stock option program for key personnel.

CHANGES IN GROUP STRUCTURE

There were no changes in the Group structure in 2024.

STOCK OPTION PROGRAM

The Board of Directors of QPR Software Plc decided in its meeting on September 9, 2024, based on the authorization granted by the General Meeting, to introduce a new stock option program for key personnel in addition to the existing 2022 and 2023 option programs.

QPR Software has implemented stock option programs for 2022, 2023, and 2024 as part of its incentive and retention program for key personnel. The purpose of the stock options is to encourage key employees to contribute to the long-term growth of shareholder value and to strengthen employee retention within the company. The stock options are granted free of charge.

The subscription period for the company's previous 2019 B option program was from January 1, 2023, to January 31, 2024. No shares were subscribed under this program.

Stock Option Program 2022

The 2022 stock option program is designated as 2022. The subscription period for shares under these options is from June 15, 2025, to May 31, 2027. The shares subscribed with the 2022 options correspond to a maximum of 1.9% of the company's shares and voting rights after potential share subscriptions, provided that new shares are issued in the subscription process. As a result of these subscriptions, the number of the company's shares may increase by a maximum of 489,542 shares if new shares are issued.

The subscription price per share under the 2022 stock options is EUR 0.85, which corresponds to the market price of the company's share at the time of issuance. The estimated total cost impact of the 2022 option program is approximately EUR 88,000.

Stock Option Program 2023

The 2023 stock option program is designated as 2023. The subscription period for shares under these options is from September 6, 2026, to September 6, 2028. The shares subscribed with the 2023 options correspond to a maximum of 5.2% of the company's shares and voting rights after potential share subscriptions, provided that new shares are issued in the subscription process. As a result of these subscriptions, the number of the company's shares may increase by a maximum of 1,000,000 shares if new shares are issued.

The subscription price per share under the 2023 stock options is EUR 0.42, which corresponds to the market price of the company's share at the time of issuance. The estimated total cost impact of the 2023 option program is approximately EUR 150,000.

Stock Option Program 2024

Under the 2024 stock option program, a total of up to 1,800,000 stock options will be granted, entitling holders to subscribe for a total of up to 1,800,000 new or treasury shares of the company. The shares issued based on the stock options correspond to a maximum of 9.0% of the company's total shares.

2024A Stock Options

The 2024A stock options are designated as 2024A. The subscription period for shares under these options is from September 10, 2027, to September 9, 2029. The shares subscribed with the 2024A options correspond to a maximum of 4.0% of the company's shares and voting rights after potential share subscriptions, provided that new shares are issued in the subscription process. As a result of these subscriptions, the number of the company's shares may increase by up to 720,000 shares if new shares are issued.

The subscription price per share under the 2024A stock options is EUR 0.59, which corresponds to the market price of the company's share at the time of issuance. The estimated total cost impact of the 2024A option program is approximately EUR 131,000.

2024B and 2024C Stock Options

A total of 540,000 stock options will be issued under the designation 2024B, and an additional 540,000 stock options under 2024C.

The subscription period for shares under the 2024B stock options is from September 9, 2028, to September 8, 2030.

The subscription period for shares under the 2024C stock options is from September 9, 2029, to September 8, 2031.

The theoretical market value of the 2024B and 2024C stock options will be determined at the time of issuance.

The terms and conditions of the 2022, 2023, and 2024 stock option programs are available on the company's website: www.qpr.com/investors.

STRATEGY

QPR Software's mission is to innovate, develop, and deliver software solutions for analyzing, monitoring, and modeling organizational operations. The company also provides consulting services to ensure that customers derive full value from its software and related methodologies.

On December 14, 2023, QPR Software Plc refined its existing strategy to reflect market changes and the company's key focus areas and announced updated financial targets for the strategy period.

Under the refined strategy, the company positions itself more strongly as a software and SaaS provider, a consultant for its core business areas, and a leading player in Digital Twin of an Organization (DTO) technology. The goal of the refined strategy is to further enhance the value delivered to customers and drive company growth through focus and specialization.

In line with the 2024–2027 strategy, the company will focus on the international growth of its Digital Twin of an Organization (DTO) offering, with process mining SaaS solutions at its core. Additionally, the DTO offering includes software solutions developed for modeling, strategic performance management, and measurement.

QPR Software's updated financial targets for 2024–2027, published in December 2023, are:

- An average annual SaaS growth of 20%, and
- Sustainable operating profit.

The company will update its financial targets for the coming years in 2025.

In line with the strategy announced on March 10, 2022, QPR Software continues to build new strategic partner networks to achieve a scalable go-to-market model, expand its offering, and increase customer value in collaboration with technology and implementation partners. The company focuses its growth investments in Europe and the Middle East, while also expanding into new markets, such as North America, through its partner network.

The stock exchange release related to the strategy update is available in the Investors section on the company's website.

PARENT'S COMPANY'S FINANCIAL PERFORMANCE AND POSITION

During the reporting period, the parent company's revenue amounted to EUR 6,098,792, representing a 12.3% decrease compared to the previous year (2023: EUR 6,957,506). The decline in revenue was primarily due to decreased consulting income, partially offset by growth in the software business.

The parent company's operating result as a percentage of revenue was -9%, totaling EUR -534,617 (2023: -13%, EUR -934,116). The improvement in the operating result was driven by cost-saving measures and growth in the software business but was negatively impacted by the decline in public sector consulting revenue in Finland and lower other income.

In addition to the aforementioned factors, the parent company's net result improved to EUR -643,379 (2023: EUR -1,402,736) due to lower financial expenses compared to the previous year. Financial expenses amounted to EUR 108,762 (2023: EUR 160,010).

At the end of the 2024 financial year, the company's share capital stood at EUR 80,000, divided into 18,175,192 shares. The company has a single share class, with one vote per share and equal dividend rights. The book value per share is EUR 0.11, and all shares are registered in the book-entry system maintained by Euroclear Finland Oy.

The parent company's equity at the end of the financial year amounted to EUR 516,693 (2023: EUR 1,112,072). The decrease in equity was due to the loss for the financial year.

As a result of the company's cost-saving measures, the parent company's short-term liabilities decreased by EUR 316,322, totaling EUR 6,204,103. Short-term liabilities included EUR 2,442,634 in loans from subsidiaries, while the parent company had loaned EUR 779,698 to its subsidiaries. Additionally, short-term liabilities included EUR 2,185,830 in advance payments for 2025.

The parent company's return on equity (ROE) remained negative at -125%, staying at the same level as the comparison period (2023: -126%). The equity ratio was 10% (2023: 14%).

SHARE CAPITAL, SHAREHOLDERS, AND SHARES

At the end of the 2024 financial year, the company's share capital amounted to EUR 80,000, divided into 18,175,192 shares. The company has a single share class, with one vote per share and equal rights to dividends. The accounting par value of a share is EUR 0.11. The shares are registered in the book-entry system maintained by Euroclear Finland Oy.

At the end of the financial year, the company had 2,174 shareholders (2023: 1,943). During the financial year, QPR Software's shares were traded for a total of EUR 1,964,000 (2023: EUR 1,586,000), averaging EUR 7,857 per trading day (2023: EUR 6,318).

The total trading volume was 3,842,304 shares (2023: 3,538,455 shares), representing 21.4% of outstanding shares (2023: 19.8%). The average trading price was EUR 0.51 per share (2023: EUR 0.45). The highest closing price during the financial year was EUR 0.82 (2023: EUR 0.75), and the lowest was EUR 0.33 (2023: EUR 0.32).

The market capitalization of the company's outstanding shares at the year-end closing price of EUR 0.81 per share was EUR 14.514 million.

In 2023, QPR Software Plc received the following notifications under Chapter 9, Section 5 of the Finnish Securities Markets Act (AML):

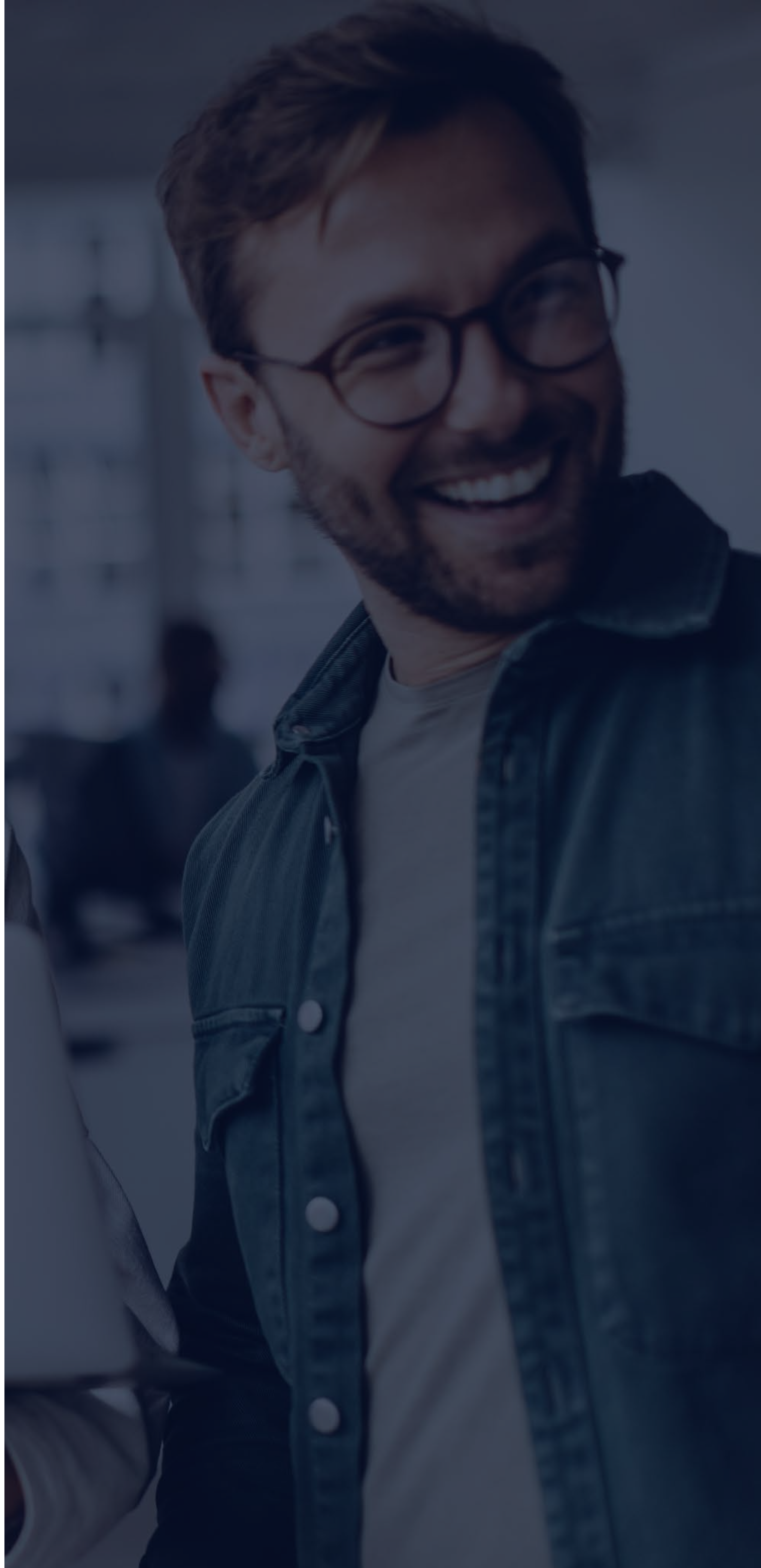
- On August 23, 2023, AC Invest Oy notified that its direct shareholding in QPR Software Plc had fallen below 5% of the total shares and voting rights.
- •On August 23, 2023, Vesa-Pekka Leskinen notified that his direct shareholding in QPR Software Plc had fallen below 10% of the total shares and voting rights.
- On August 23, 2023, Oy Fincorp Ab notified that its direct shareholding in QPR Software Plc had risen above 20% of the total shares and voting rights.

During the 2024 financial year, the company did not receive any notifications under the Finnish Securities Markets Act.

Major shareholders of QPR Software Plc, December 31, 2024

Registered Owners	No. Shares	% of shares and votes
KEMPE ROGER KENNETH:	4,861,107	27 %
OY FINCORP AB	4,818,307	27 %
KEMPE ROGER KENNETH	42,800	0 %
LESKINEN VESA-PEKKA ILMARI:	1,768,759	10 %
LESKINEN VESA-PEKKA ILMARI	1,135,200	6 %
KAUPPAMAINOS OY	633,559	3 %
UMO CAPITAL OY	971,900	5 %
SIILASMAA RISTO KALEVI	805,333	4 %
OY TALCOM AB	562,000	3 %
LAMY OY	553,249	3 %
JUNKKONEN KARI JUHANI	520,824	3 %
PELKONEN JOUKO ANTERO:	442,000	2 %
POHJOLAN RAHOITUS OY	418,000	2 %
PELKONEN JOUKO ANTERO:	24,000	0 %
PIEKKOLA ASKO	413,917	2 %
LAAKSO JANNE JUHANI	383,275	2 %
QPR SOFTWARE OYJ	256,849	1 %
TRADEIRA OY	204,842	1 %
KEMPE PIA PAULINA	168,333	1 %
OY CATA-HOLDING AB	155,000	1 %
OY FORMIKAFINN AB	125,197	1 %
ERVI PERTTI OLAVI	104,095	1 %
LEINO RIKU PETTERI	102,100	1 %
NORDCENTERIN NUORISOVALMENNUKSEN EDISTÄMISSÄÄTIÖ S	100,000	1 %
PALOHEIMO ASSET MANAGEMENT OY	89,955	0 %
PALOHEIMO GROUP OY	81,556	0 %
20 largest shareholders, total	12,750,291	70 %
Other shareholders, total	5,424,901	30 %
Total	**18,175,192**	**100 %**

*exclude nominee registered shareholders

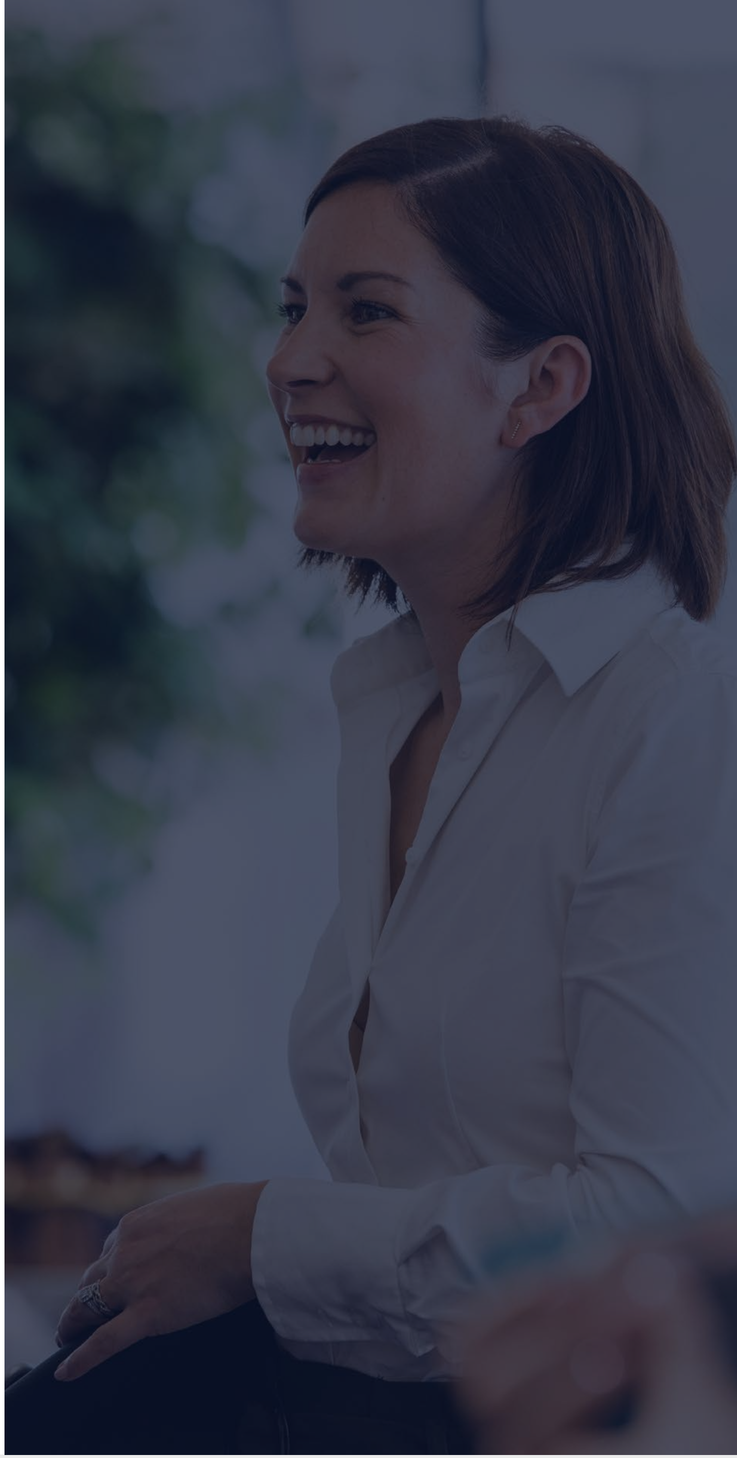


Distribution of shareholding by size, December 31, 2024

	Shareholders:		Shares and votes:	
Number of Shares	**Number**	**%**	**Number**	**%**
1 - 500	1,490	68,5	180,397	1,0
501 - 1 000	253	11,6	198,668	1,1
1 001 - 5 000	283	13,0	664,311	3,7
5 001 - 10 000	55	2,5	395,574	2,2
10 001 - 50 000	61	2,8	1,462,200	8,0
50 001 - 100 000	12	0,6	821,374	4,5
100 001 -1 700 000	20	0,9	14,452,668	79,5
Total	**2,174**	**100**	**18,175,192**	**100**
of which nominee registered	7		1,867,928	10,3

Distribution of shareholding by sector, December 31, 2024

	Shareholders:		Shares and votes:	
Sector	**Number**	**%**	**Number**	**%**
Private companies	47	2,2	3,794,618	20,9
Financial and insurance institutions	7	0,3	7,255,938	39,9
Households	2,109	97,0	6,867,216	37,8
Non-profit organizations	2	0,1	100,001	0,6
European Union	5	0,2	150,419	0,8
Other countries	4	0,2	7,000	0,0
Total	**2,174**	**100**	**18,175,192**	**100**
of which nominee registered	7		1,867,928	10,3



QPR Software shareholding by insiders and closely related persons, December 31, 2024

	Shares			Options		
	Members	By controlled entities	By closely related persons *)	2022	2023	2024 A
Board members:	231,655					
Management team members:	39,121		9,350	430,977	790,000	576,000

* Shares held by spouses and persons under guardianship

OWN SHARES

The total number of the company's shares is 18,175,192, of which 256,849 shares are held by the company as own shares. The total nominal value of these shares is EUR 28,253, and their acquisition cost amounts to EUR 244,349.

The shares held by the company (own shares) represent 1.4% of the company's share capital and voting rights.

CORPORATE GOVERNANCE SYSTEM

QPR Software Plc (QPR) adheres to good corporate governance practices and high ethical standards in its governance. The company's governance principles comply with the Finnish Limited Liability Companies Act, the Market Abuse Regulation (MAR), the Securities Markets Act, and other regulatory requirements related to the governance of publicly listed companies. Additionally, QPR Software follows its Articles of Association, as well as the Finnish Corporate Governance Code for Listed Companies, issued by the Securities Market Association and effective from January 1, 2025, and the Guidelines for Insider Trading, effective from January 1, 2021, as described on the company's investor website.

A separate Corporate Governance Statement for 2024 was published alongside the Annual Report on March 22, 2024.

The company's governance principles and the Corporate Governance Statement are available in the Investor Relations section of the company's website: www.qpr.com/Investors.

The Investor Relations section also provides A description of insider management, Information on major shareholders, The Articles of Association, The Board of Directors' rules of procedure, a description of internal control and audit practices, presentations of the Board of Directors and the Executive Management Team, a summary of the company's disclosure policy, and all stock exchange releases published during the financial year.

ANNUAL GENERAL MEETING

The Annual General Meeting of QPR Software Plc was held on May 15, 2024, in Helsinki. The General Meeting adopted the Company's financial statements for the financial year 2023 and discharged the members of the Board of Directors and the CEO from liability. The General Meeting resolved that no dividend be paid based on the balance sheet adopted for the financial year ended on December 31, 2023, and adopted the Company's Remuneration Report and Remuneration Policy. Further, the General Meeting resolved to authorize the Board of Directors to decide on share issues and on the issue of other special rights entitling to shares as well as on the acquisition of own shares.

Annual accounts and the use of the profit shown on the balance sheet

The General Meeting adopted the Company's financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial period January 1 – December 31, 2023. The General Meeting resolved that no dividend be paid based on the balance sheet adopted for the financial year ended on December 31, 2023.

Remuneration of the members of the Board of Directors and the Auditor

The General Meeting resolved that the Chairman of the Board of Directors be paid 45,000 euros per year and the other members of the Board of Directors 25,000 euros per year. Approximately 40 percent of the remuneration will be paid in shares and 60 percent in cash. The shares will be granted as soon as possible after the Annual General Meeting and if the insider regulations allow it. The members of the Board of Directors will also be reimbursed for travel and other expenses incurred while they are managing the Company's affairs.

The remuneration of the Auditor shall be paid according to the reasonable invoice.

Board of Directors and Auditor

The General Meeting confirmed that the number of Board members is four (4). Pertti Ervi was re-elected as the Chairman of the Board of Directors and Antti Koskela and Jukka Tapaninen were re-elected as members of the Board of Directors. Linda von Schantz was elected as a new member of the Board of Directors.

Authorised Public Accountants KPMG Oy Ab was re-elected as the Company's auditor. KPMG Oy Ab has announced that Petri Kettunen, Authorized Public Accountant, will act as the principal auditor.

Authorization of the Board of Directors to decide on share issues and on the issue of other special rights entitling to shares

The General Meeting resolved to authorize the Board of Directors to decide on issuances of new shares and conveyances of the own shares held by the Company (share issue) either in one or more instalments. The share issues can be carried out against payment or without consideration on terms to be determined by the Board of Directors. The authorization also includes the right to issue special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, which entitle to the Company's new shares or own shares held by the Company against consideration. Based on the authorization, the maximum number of new shares that may be issued and own shares held by the Company that may be conveyed in share issues or on the basis of special rights is 6,361,317 shares. The authorization includes the right to deviate from the shareholders' pre-emptive subscription right. The authorization is in force until the next Annual General Meeting.

Authorization of the Board of Directors to decide the acquisition of own shares

The General Meeting resolved to authorize the Board of Directors to decide on the acquisition of the Company's own shares. Based on the authorization, an aggregate maximum amount of 500,000 own shares may be acquired, either in one or more instalments. The authorization includes the right to acquire own shares otherwise than in proportion to the existing shareholdings of the Company's shareholders, using the Company's non-restricted shareholders' equity. The authorization is in force until the next Annual General Meeting.

MANAGEMENT AND AUDITOR

Heikki Veijola served as the CEO of the company from January 1 to December 31, 2024.

The other members of the Executive Management Team were:

- Matti Erkheikki, responsible for QPR's products, product portfolio vision, and strategy.
- Antti Kivalo, responsible for sales and customer management, starting from September 1, 2024.
- Mika Maliniemi, responsible for software product development, cloud service development and operations, and customer support services.
- Tero Aspinen, responsible for business operations in the Middle East.
- Teemu Lehto, responsible for the consulting business.
- Sanna Salo, responsible for marketing, communications, and branding.
- •Mervi Kerkelä-Hiltunen served as the Chief Financial Officer (CFO) from January 1 to October 1, 2024, and Taru Mäkinen held the position from October 2 to December 31, 2024.

During the financial year, KPMG Oy Ab served as the company's statutory auditor, with Petri Kettunen, Authorized Public Accountant (KHT), as the principal auditor.

MANAGEMENT'S SHAREHOLDING

As of December 31, 2024, the members of the Board of Directors and the CEO, including their related parties, held a total of 280,126 shares in QPR Software Plc, representing 1.5% of the company's shares and voting rights (December 31, 2023: 1.5%). The shareholding figures include shares owned personally, by spouses, dependents, and entities under their control.

INTERNAL CONTROL

The objective of the Group's internal control and risk management is to ensure that the Group's operations are efficient and effective, information is reliable, regulations and policies are followed, strategic goals are achieved, changes in the market and operating environment are addressed, and business continuity is secured.

The Board of Directors of QPR Software Plc oversees the adequacy, appropriateness, and effectiveness of the internal control and risk management within the QPR Group. In accordance with the Board's annual calendar, a risk management report covering the risks described under the Risk Management section is presented to the Board.

The Board evaluates risks based on their potential threat to shareholders. Additionally, the Board ensures that internal control principles are defined within the company and that the effectiveness of internal control is continuously monitored.

RISK MANAGEMENT

The Group CFO is responsible for coordinating and reporting on the Group's internal control and risk management. The Group's risk management efforts are guided by legal requirements, shareholder expectations regarding business objectives, and the expectations of customers, employees, and other key stakeholders.

The objective of QPR's risk management is to systematically and comprehensively identify risks related to the company's operations and ensure they are effectively managed and considered in decision-making. Risk management is an integral part of the organization's responsibilities and is continuously improved by enhancing the company's operational processes.

Risk identification follows the principle of materiality, meaning that risks are monitored based on their significant impact on the company's business operations. QPR Software has identified the following three main risk categories related to its operations: Business risks, Information and product-related risks, financial risks.

The company has insured its assets, business interruption risks, and liability risks to mitigate potential damages.

QPR Software Plc's management system is certified under the ISO 9001:2015 quality standard, covering all company operations. This certification is audited annually by an independent external assessor.

BUSINESS RISKS

QPR Software has identified the following key business risks:

Country Risk

The risk is measured by the loss of revenue from specific countries. The company manages this risk through continuous market intelligence gathering, geographical and industry diversification, and careful consideration of geopolitical changes.

Customer Risk

The risk is measured by the customer churn rate for software maintenance services and the percentage of overdue receivables. Risk is mitigated through strong customer and reseller relationship management and active monitoring of accounts receivable.

Employee Risks

The risk is measured by employee turnover. It is managed through competent recruitment, effective leadership, and by providing employees with opportunities for job rotation and training.

Legal and Other Risks

The risk is measured by the total value of ongoing legal disputes in relation to the company's revenue. The company mitigates this risk through strong contractual expertise, standard contract terms, and ethical business practices aligned with company values.

QPR's country and customer risks are reduced by its business operations spanning over 50 countries, serving both public and private sectors across multiple industries.

Operating in international markets inherently involves a reasonable credit loss risk related to individual business partners. The company seeks to minimize this risk through continuous monitoring of standard payment terms, receivables, and credit limits. At the end of the reporting period, 5% (2023: 3%) of trade receivables were overdue by more than 60 days.

INFORMATION AND PRODUCT-RELATED RISKS

QPR Software has identified the following three key information and product-related risks:

Product Risk

The company mitigates this risk by ensuring its product portfolio remains competitive by differentiating itself through unique product capabilities. Product security is enhanced through continuous process improvements and automated malware prevention measures.

Intellectual Property (IP) Risk

The company protects its intellectual property rights (IPR) by maintaining the confidentiality of software source codes, ensuring secure storage, and filing selected patent applications.

In its process mining business, QPR follows an active IPR strategy, leading to the filing of five separate patent applications in Finland and the USA in 2012 for innovations related to automated process analysis from event data.

In April 2015, the U.S. Patent and Trademark Office (USPTO) granted a patent based on these applications. In May 2016, QPR announced that it had received a second patent from the USPTO for its process mining technology.

The company ensures compliance with intellectual property rights by keeping its contracts up to date, providing staff training, and maintaining legal expense insurance.

Information Security Risks

QPR Software actively monitors and minimizes information security risks both operationally and through regular reporting to the Board of Directors. The company implements both administrative and technical measures to enhance system security.

To reduce information security risks, the company has adopted data and supplier management models, conducted annual audits of partners, and provided internal security awareness training.

QPR Software has had no significant information security incidents or product management issues, and there were no major changes in these risks during 2024.

In September 2024, Bureau Veritas conducted a recertification audit of QPR Software's Information Security Management System (ISMS) in accordance with the latest ISO 27001:2022 standard.

The ISO 27001 standard sets requirements for establishing, implementing, maintaining, and continuously improving an Information Security Management System (ISMS). This framework ensures confidentiality, integrity, and availability of information through risk management processes, providing stakeholders with assurance that risks are properly managed.

QPR Software's ISO 27001 certification was granted by Bureau Veritas, an independent and accredited certification body operating in 140 countries with over 78,000 employees.

Financial Risks

QPR Software has identified the following two key financial risks:

Currency Risk

The risk is measured by the percentage of non-euro-denominated receivables and the share of any single non-euro currency in total receivables. The company manages this risk by using the euro as the primary billing currency and applying currency hedging in line with its hedging policy.

The company continuously monitors the open positions of its key billing currencies. At the end of the financial year, 81% (2023: 79%) of the Group's trade receivables were denominated in euros. The company had no currency hedging in place at the end of the reporting period.

Liquidity Risk

Liquidity risk refers to the risk of insufficient funding or unusually high financing costs due to a lack of liquid assets, particularly in cases of sudden business downturns requiring additional financing.

The objective of liquidity risk management is to maintain adequate liquidity and ensure that sufficient funds are available to support business operations as needed.

QPR maintains liquidity through efficient cash management, deposits, and rapid responses to changing financial conditions. The risk is measured using cash flow forecasts, which are actively monitored and supported by efficient debt collection.

The company's financial position is supported by a high proportion of recurring revenue. Additionally, QPR invoices most of its recurring revenue in advance, strengthening its financial stability.

As of December 31, 2024, the company's financial position had improved and was at a satisfactory level.

The parent company has a EUR 1.5 million long-term credit facility for financing needs. As of year-end 2024, EUR 1.0 million of this facility had been utilized. The credit agreement includes covenants based on EBITDA and the equity ratio. EBITDA covenants are tested every six months. The equity ratio covenant is tested annually based on the year-end balance sheet.

As of December 31, 2024, both EBITDA and the equity ratio exceeded the agreed covenant thresholds. The credit facility will be repaid in two installments of EUR 500,000, due on January 31, 2025, and January 31, 2026.

To further mitigate liquidity risk, the company has a EUR 500,000 credit limit, which remained unused as of December 31, 2024.

A more detailed description of the company's financial risk management for 2024 can be found in Note 18 of the financial statements.

LEGAL DISPUTES

In 2023 and 2024, the company had no legal disputes.

OUTLOOK FOR 2025

Global economic uncertainty and geopolitical tensions continue to pose challenges to the business environment, making long-term forecasting difficult.

In 2025, as part of its turnaround strategy, the company is shifting its focus to investing in growth and business development, which will impact profitability during the financial year. Growth will be driven primarily in the United States, Europe, and the Middle East, supported by the strengthening of the partner network.

The process mining market is evolving from a product-centric business model towards a platform economy. QPR ProcessAnalyzer is the only process mining solution designed for the Snowflake AI Data Cloud environment and is also available as an application on the Snowflake Marketplace. This opens new growth opportunities for the company, but achieving commercial breakthroughs will require time and investments.

Due to the nature of the business and long sales cycles, quarterly fluctuations may be significant. Growth in the first half of the year is expected to be moderate, as some legacy product customer contracts ended at the turn of the year.

The company forecasts that SaaS revenue will grow, and that the EBITDA will remain positive despite growth investments.

BOARD OF DIRECTOR'S PROPOSAL ON DIVIDEND DISTRIBUTION

At the end of the 2024 financial year, the parent company's distributable funds amounted to EUR 436,693. The Board of Directors proposes to the Annual General Meeting that no dividend be distributed for the financial year 2024.

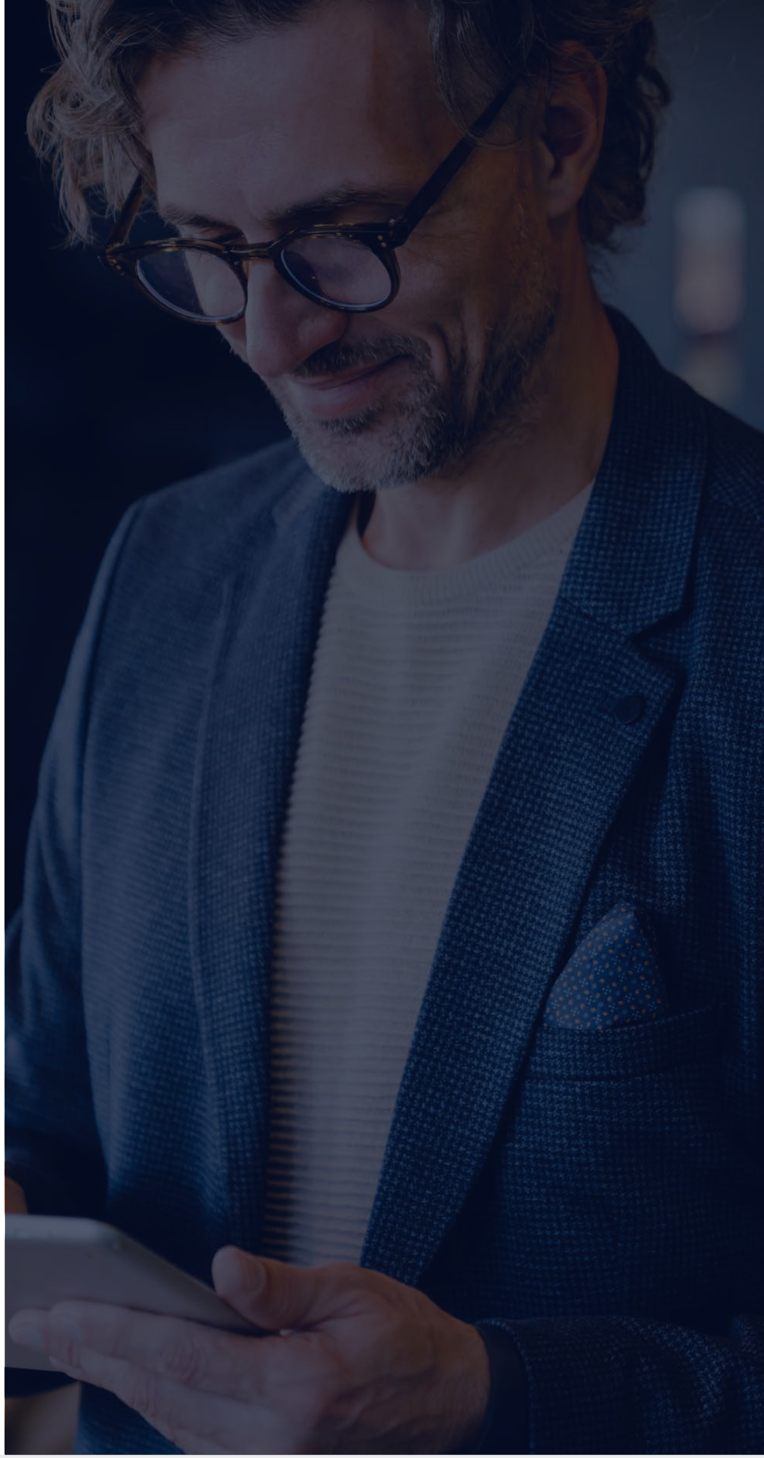
There have been no material changes in the company's financial position after the end of the financial year.

EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

Key figures of the group 2022-2024

Group, IFRS (EUR 1,000)	**2024**	**2023**	**2022**
Net sales	6,614	7,550	7,823
Growth of net sales, %	-12.4	-3.5	-14.4
Operating result	-16	-813	-2,770
% of net sales	-0.2	-10.8	-35.4
Result or loss before tax	-103	-924	-2,864
% of net sales	-1.6	-12.2	-36.6
Result for the period	-82	-924	-2,868
% of net sales	-1.,2	-12.2	-36.7
Return on equity, %	-21.8	-221.5	-625.7
Return on investments, %	-14.3	-42.0	-120.3
Cash and cash equivalents	825	884	17
Net borrowings	577	934	2,262
Equity	401	348	487
Gearing, %	143.9	268.3	464.9
Equity ratio, %	11.9	8.1	7.4
Total balance sheet	5,906	5,869	7,442
Investment in intangible and tangible assets	753	637	2,324
% of net sales	11.4	8.4	29.7
Research and development expenses	979	1,427	2,674
% of net sales	14.8	18.9	34.2
Personnel average for period	33	57	81
Personnel at the beginning of period	49	85	80
Personnel at the end of period	32	49	85



Per-share key figures 2022-2024

Group, IFRS (EUR 1,000)	2024	2023	2022
Diluted/Undiluted Earnings per share, EUR	-0.005	-0.055	-0.202
Equity per share, EUR	0.022	0.020	0.030
Dividend per share *, EUR	0.000	0.000	0.000
Dividend as % of result	0.0	0.0	0.0
Effective dividend yield, %	0.0	0.0	0.0
Price/earnings ratio (P/E)	-177.9	-6.4	-2.8
Development of share price			
Average price, EUR	0.51	0.45	1.02
Lowest closing price, EUR	0.33	0.32	0.50
Highest closing price, EUR	0.82	0.75	1.89
Closing price on Dec 31, EUR	0.81	0.33	0.56
Market capitalization on Dec 31,	14 514	5 927	8 983
Development of trading volume			
Number of shares traded, 1,000 pcs	3,842	3,538	3,324
% of all shares	21.4	19.8	27.7
Number of shares on Dec 31, 1,000 pcs	18,175	18,175	12,445
Average number of shares outstanding	17,918	17,836	11,988

*) Year 2024: The Board of Director's proposal to the Annual General Meeting

DEFINITION OF KEY INDICATORS

Return on equity (ROE), %:

$$\frac{\text{Result for the period x 100}}{\text{Shareholders' equity (average)}}$$

Return on investment (ROI), %:

$$\frac{\text{(Result before taxes + interest and other financial expenses) x 100}}{\text{Balance sheet total - non-interest bearing liabilities (average)}}$$

Gearing:

Interest-bearing liabilities - cash and cash equivalents

Gearing, %:

$$\frac{\text{(Interest-bearing liabilities - cash and cash equivalents) x 100}}{\text{Total equity}}$$

Equity ratio, %:

$$\frac{\text{Total equity x 100}}{\text{Balance sheet total - advances received}}$$

Earnings per share, euro:

$$\frac{\text{Result for period}}{\text{Weighted average number of shares outstanding during the year}}$$

Equity per share, euro:

$$\frac{\text{Equity attributable to shareholders of the parent company}}{\text{Number of shares outstanding at the end of the year}}$$

Dividend per share, euro:

$$\frac{\text{Total dividend paid}}{\text{Number of shares outstanding at the end of the year}}$$

Dividend per Result, %:

$$\frac{\text{Dividend per share x 100}}{\text{Earnings per share}}$$

Effective dividend yield, %:

$$\frac{\text{Dividend per share x 100}}{\text{Share price at the end of the year}}$$

Price/earnings ratio (P/E):

$$\frac{\text{Share price at the end of the year}}{\text{Earnings per share}}$$

Market capitalization:

Total number of shares outstanding x share price at the end of the year

Turnover of shares, % of all shares:

$$\frac{\text{Number of shares traded x 100}}{\text{Average number of shares outstanding during the year}}$$

FINANCIAL STATEMENTS 2024

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT, IFRS

(EUR 1,000)	Note	**2024**	2023
Net sales	3	**6,614**	**7,550**
Other operating income	4	132	1
Materials and services	5	1,026	1,241
Employee benefit expenses	6,7	3,467	5,287
Depreciation and amortization	8	1,036	995
Other operating expenses	9	1,234	840
Total expenses		6,763	8,363
Operating Result		**-16**	**-813**
Financial income	10	16	1
Financial expenses	10	-103	-112
Financial items, net		-87	-111
Result before tax		-103	-924
Income taxes	11	21	0
Result for the financial year		**-82**	**-924**
Other items in comprehensive income that may			
be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		-2	-1
Other items in comprehensive income, net of tax		**-2**	**-1**
Total comprehensive income for the financial year		**-84**	**-925**
Earnings per share, EUR			
Undiluted, EUR	12	-0,005	-0,055
Diluted, EUR	12	-0,005	-0,055

*The company has reported the production costs of the cloud platform within the materials and services expense category starting from the financial year 2024. The figures for the comparative period has been presented according to both reported and 2024 cost groupings.

CONSOLIDATED BALANCE SHEET, IFRS (1/2)

(EUR 1,000)	Note	**2024**	2023
ASSETS			
Non-current assets			
Capitalized product development expenses	13	1,603	2,217
Other intangible assets	13	38	28
Goodwill	14	358	358
Tangible assets	15	20	81
Other investments	16	5	5
Right-of-use assets	15	377	318
Deferred tax assets	17	325	273
Total non-current assets		2,726	3,279
Current assets			
Trade and other receivables	18	2,355	1,706
Cash and cash equivalents	19	825	884
Total current assets		3,180	2,590
Total assets		**5,906**	**5,869**

CONSOLIDATED BALANCE SHEET, IFRS (2/2)

EQUITY AND LIABILITIES			
Equity			
Share capital	21	80	80
Other funds		21	21
Treasury shares		-244	-348
Translation difference		-65	-67
Invested non-restricted equity fund		4,925	4,925
Retained earnings		-4,316	-4,263
Equity attributable to shareholders of the Parent company		**401**	**348**
Non-current liabilities			
Interest-bearing lease liabilities	22	372	192
Interest-bearing liabilities	22	500	1,000
Total non-current liabilities		872	1,192
Current liabilities			
Interest-bearing lease liabilities	22	29	126
Trade and other payables	23	4,104	3,703
Interest-bearing liabilities	22	500	500
Total current liabilities		4,633	4,329
Total liabilities		**4,633**	**5,521**
Total equity and liabilities		**5,906**	**5,869**

CONSOLIDATED CASH FLOW STATEMENT, IFRS

(EUR 1,000)	Note	**2024**	2023
Cash flow from operating activities			
Result for the period		-82	-924
Adjustments for the result			
Depreciation		1,036	995
Other adjustments	8	220	83
Changes in working capital:			
Increase (-)/decrease (+) in short-term non-interest bearing		-649	1,872
Increase (+)/decrease (-) in short-term non-interest bearing		377	-1,051
Interest expense and other financial expenses paid		-78	-107
Taxes paid		-18	-19
Net cash flow from operating activities		**806**	**849**
Cash flow from investing activities			
Capitalized development expenses		-331	-619
Acquisition of other intangible assets		-	-2
Proceeds from sales of tangible and intangible assets		6	-
Net cash flow from in investing activities		**-325**	**-620**
Cash flow from financing activities			
Proceeds from borrowings		-	1,500
Repayments of borrowings	22	-500	-1,500
Payment of lease liabilities		-39	-121
Share issue, net	21	-	760
Net cash used in financing activities		**-539**	**639**
Change in cash and cash equivalents		**-58**	**868**
Cash and cash equivalents at the beginning of year		**884**	**17**
Effect of exchange rate differences		-1	0
Cash and cash equivalents at the end of year	19	**825**	**884**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, IFRS (1/2)

	Share capital	Other funds	Translation differences	Treasury shares	Invested unrestricted equity fund	Retained earnings	Equity attributable to shareholders of the parent company
Equity Jan 1, 2023	**1,359**	**21**	**-66**	**-406**	**2,943**	**-3,364**	**487**
Total comprehensive income for the period							
Profit for the period						-924	-924
Translation differences"			-1				-1
Total comprehensive income for the period	**0**	**0**	**-1**	**0**	**0**	**-924**	**-925**
Transactions with owners of the Company							
Disposal of own shares				58		-10	48
Reduction of share capital	-1,279				1,279		0
Stock option scheme						36	36
Share issue, net					**703**		**703**
Transactions with owners of the Company	**-1,279**	**0**	**0**	**58**	**1,982**	**26**	**787**
Equity Dec 31, 2023	**80**	**21**	**-67**	**-348**	**4,925**	**-4,263**	**348**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, IFRS (2/2)

	Share capital	Other funds	Translation differences	Treasury shares	Invested unrestricted equity fund	Retained earnings	Equity attributable to shareholders of the parent company
Equity Jan 1, 2024	**80**	**21**	**-67**	**-348**	**4,925**	**-4,263**	**348**
Total comprehensive							
Profit for the period						-82	-82
Translation differences			2			-9	-7
Total comprehensive income for the period	**0**	**0**	**2**	**0**	**0**	**-91**	**-89**
Transactions with owners of the Company							
Disposal of own shares				103		-55	48
Reduction of share capital							
Stock option scheme						93	93
Share issue, net							**0**
Transactions with owners of the Company	**0**	**0**	**0**	**103**	**0**	**38**	**141**
Equity Dec 31, 2024	**80**	**21**	**-65**	**-244**	**4,925**	**-4,316**	**401**

NOTES TO FINANCIAL STATEMENTS

COMPANY INFORMATION

QPR offers services and software tools for developing business processes and enterprise architecture. The Group's parent company, QPR Software Plc (company ID 0832693-7), is a public limited liability company incorporated in Finland. The parent company is domiciled in Helsinki, Finland, and its registered office is located at Keilaranta 1, 02150 Espoo, Finland.

The shares of the parent company, QPR Software Plc, have been listed on the Helsinki Stock Exchange since 2002.

A copy of the Consolidated Financial Statements is available on the Internet at www.qpr.com or at QPR Software Plc, at Keilaranta 1, 02150 Espoo, Finland.

QPR Software Plc's Board of Directors have approved the financial statements for publication on February 14, 2025. Shareholders have the right to approve or reject financial statements in the Annual General Meeting or decide to revise them. The Annual General Meeting has also right to make a decision to amend the financial statements.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS ADOPTED IN 2024

Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Presentation of Financial Statements (effective for financial years beginning on or after January 1, 2024) The amendments are to promote consistency in application and clarify the requirements for determining if a liability is current or non-current. The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The change in standard might have an impact on the information presented in future financial years.

Consolidation principles

The Consolidated Financial Statements include the parent company, QPR Software Plc, and the subsidiaries it controls. The parent company's control is based on the ownership of the entire share capital or a majority of shares in the case of subsidiaries, as well as 100% voting rights. The Company did not own shares in joint ventures or associated companies in 2024 and 2023.

Subsidiaries acquired during the financial period are consolidated from the date on which control is obtained, and divestments are included until the date on which control ceases. Intragroup shareholdings are eliminated using the acquisition cost method. Intercompany business transactions, receivables, liabilities, unrealized profits, as well as intragroup profit distribution, are eliminated in the Consolidated Financial Statements. The profit for the financial year applicable to non-controlling interests is presented separately in the consolidated comprehensive income statement, and the share of the non-controlling interest in shareholders' equity is presented separately in the consolidated balance sheet. The Group's subsidiaries did not have any non-controlling interests in 2024 and 2023.

Continuity of operations

The Consolidated Financial Statements have been prepared in accordance with the principle of continuity taking into account the active measures implemented, business forecast, and the long-term refinancing agreement at the beginning of 2023. Additional information in the Note 28.

Foreign currency translation

The functional currency of foreign subsidiaries has been determined to be the local bookkeeping currency.

Transactions denominated in foreign currency have been translated into the group reporting currency using the exchange rate valid on the transaction date. Monetary items have been converted into the Group reporting currency using the exchange rate on the closing date, and non-monetary items using the exchange rate on the transaction date. The exchange gains and losses from business operations are included in operating profit, and the exchange gains and losses from financial assets or liabilities are included in financial income and expenses.

The income and expense items in the comprehensive income statements of foreign subsidiaries are translated into Euro using the average exchange rates for the year, and the balance sheets are translated using the exchange rates on the balance sheet date. Translation differences arising from the elimination of foreign subsidiaries and the translation of equity items accumulated after the acquisition are entered into other comprehensive income items. The foreign currency gains and losses from monetary items which are part of the net investment in a foreign unit are recognized in other comprehensive income items.

Revenue recognition

Net sales include the normal sales income from the

Group's business operations, deducted sales-related taxes and discounts granted. When calculating net sales, they are adjusted to account for exchange rate differences.

Revenue is recognized when (or as) the control of goods or services are transferred to a customer either over time or at a point in time.

The consolidated net sales consist of software license sales, software maintenance services, cloud services (SaaS) and consulting. In relation to its resellers, the Company acts as a principal and records in its net sales the revenue from the software sales of the resellers to the end customers, and records in its costs the reseller commission.

Software license revenue is recognized at a point in time, when (or as) a company transfers control of license or user rights to a customer.

Limited term license performance obligations are license and maintenance, and revenue is recognized as the performance obligation if fulfilled, either at a point in time or over time, during the agreement period.

Long-term software license contracts agreed for indefinite duration have the performance obligation for licenses and maintenance. The license part of the revenue is recognized at a point in time, in the beginning of each invoicing period, however not earlier than delivery is performed. The maintenance part as well as cloud services in total are recognized over time, evenly during the contract period.

Software maintenance services covering software updates and customer support are recognized over time, evenly during the agreement period.

Cloud services (SaaS) in totality are recognized over time, as the performance obligation is the service rendered over time.

Revenues from consulting services are recognized as services are rendered, when (or as) control of the services has been transferred to the customer.

The Group uses payment terms typical for each market, including domestic terms, which are typically shorter than international terms.

Advance payments

Licenses and maintenance fees for long-term, indefinite-term software licenses (Renewable Licenses), software maintenance revenues, as well as revenues from cloud services (SaaS services) are generally invoiced before the commencement of the performance obligation. The portion of the performance obligation is recorded in the balance sheet as deferred income liabilities, and, correspondingly, either as accounts receivable or, upon the fulfillment of the performance, into the bank account.

Other operating income

Other operating income includes income that is not related to the Group core business. Government grants are recorded in other operating income, except when they are related to investments, in which case they are deducted from the acquisition cost of the asset.

Research and development expenditure

Research costs are expensed as incurred. Expenses related to the introduction of new technology, or the development of a new product are capitalized and amortized over the useful life of 4 years. When determining the duration of useful economic life, the technology's eventual obsolescence and the product's typical life cycle are considered. Amortization begins when the product becomes commercially viable. Maintenance costs and minor improvements to existing products are expensed. Grants received for product development are recognized in the income statement for the periods in which the corresponding expenses are incurred.

Pension plans

The Group's pension scheme is a defined contribution plan managed by a pension insurance company. The expenses are recognized in the comprehensive income statement in the financial period that the contribution relates to. The Group does not have a legal or constructive liability to pay additional contributions in case of non-performance by the pension insurance company.

Share-based payments

The Group has adopted an option plan for key persons as of beginning of the year 2019 and expanded it with new plans in 2022, 2023 and 2024. In the Group incentive plan payments are made in the form of equity instruments. The benefits granted under the plans are recognized at fair value on the date on which they were granted and entered as costs evenly throughout the period during which they were earned. The effect of the plans on profit or loss is presented under the costs of employee benefits.

The cost determined on the date on which the options were granted is based on the Group estimate of the number of options for which rights are presumed to arise at the end of the incentive earning period. The Group updates the presumption of the final number of options on the final day of every reporting period.

Changes in estimates are treated through profit or loss.

The fair value of the option plan is defined based on the Black-Scholes pricing model. Terms that are not market based, such as profitability and specific growth targets, are not taken into consideration when determining the fair value of options. Instead, they affect the estimate of the final number of options. When option rights are exercised, the assets obtained from share subscriptions are entered into the invested unrestricted equity fund in accordance with the terms of the plan.

Operating profit

IAS 1 "Presentation of Financial Statements" does not define the concept of operating profit. The Group uses the following definition of operating profit: operating profit is the sum of net sales and other operating income, less the cost of materials and services, expenses for employee benefits, other operating expenses, as well as depreciation, amortization and impairment losses of tangible and intangible assets. Exchange rate differences arising from working capital items are included in operating profit, whereas exchange rate differences arising from financial assets and liabilities are included in financial income and expenses.

Impairment

At each annual closing, the Group reviews asset items for any indication of impairment losses. If there are such indications, the amount recoverable from the said asset item is assessed. The recoverable amount of tangible and intangible assets is the higher of the asset item's fair value less the cost arising from disposal and its value in use. The recoverable amount of financial assets is either the fair value or the present value of expected future cash flows discounted at the original effective interest rate. An impairment loss is recognized in the comprehensive income statement when the carrying amount is greater than the recoverable amount.

Goodwill is not amortized but its recoverable amount is estimated annually or more frequently if circumstances indicate that the value may be impaired. Such an estimate is prepared at least at each annual closing. For such purposes, goodwill is allocated to cash-generating units. An impairment loss is recognized in the consolidated comprehensive income statement, if the impairment test shows that the carrying amount of goodwill exceeds its recoverable amount. In this case the goodwill is recorded at its recoverable amount. After the initial recognition, goodwill is valued at original acquisition cost, less impairment losses recognized. Impairment losses on goodwill cannot be reversed.

Income taxes

The tax expense in the comprehensive income statement consists of tax based on taxable income for the financial year and deferred tax. Tax based on taxable income for the financial year is calculated on the basis of taxable income and the tax rate valid in each country. Income taxes are charged to income, except when they are related to items recorded in equity or other items in comprehensive income, in which case the tax expense is adjusted to such items.

Deferred taxes are calculated based on temporary differences between the book value and tax value of an asset or liability item. Deferred taxes are calculated at tax rates enacted by the balance sheet date.

A deferred tax asset is recognized in the amount that it is probable, in accordance with IAS 12, that future taxable income will be generated against which the temporary difference can be utilized. Deferred tax liabilities are recognized in the balance sheet in full.

Intangible assets

Goodwill arising from business acquisitions represents the excess of the cost of an acquisition, the amount of non-controlling interests, and previously owned equity interests, over the fair value of the net assets of the acquired company. Goodwill is valued at the original acquisition cost minus impairment losses.

Other intangible assets include, for example, patents. They are amortized on a straight-line basis over their useful life, which is 2 – 5 years.

Tangible assets

The balance sheet values of tangible assets are based on original acquisition cost minus accumulated depreciation and impairment losses. Depreciation is calculated using the straight-line method and is based on the estimated useful life of the asset.

The Group didn't capitalize any borrowing costs in 2024 and 2023.

Useful lifetimes of tangible assets:

Machinery and equipment	3 – 7 years
IT machinery and equipment	2 – 5 years

Lease agreements

The Group has adopted the IFRS 16 standard on leases. According to the standard, a contract is or contains a lease if the Group has a right to control the use of an identified asset for a certain period of time in exchange for consideration. When determining the non-cancellable period, the Group assesses the probability of exercising extension and termination options by considering all relevant facts and circumstances.

Lease payments are divided into liabilities and financial expenses. Financial expenses are recognized in the income statement for the lease period. The right-of-use asset is depreciated using the straight-line method over the asset's useful life or lease term, if shorter than useful life. Lease liabilities are discounted at the average loan interest rate of the year.

When future lease payments are revised due to changes in an index rate or the terms of the lease, the right-of-use asset and the corresponding lease liability are revalued to reflect these changes.

The group applies a practical expedient, under which the company does not recognize lease agreements with a lease term of up to 12 months at the commencement date (short-term lease) on the balance sheet. Instead, the company recognizes the lease payments related to short-term leases as expenses on a straight-line basis over the lease term.

The Group primarily leases premises for office and warehouse use. Lease agreements are typically made either as fixed-term contracts or indefinite-term contracts.

Financial assets and liabilities

The Group's financial assets are classified into the following measurement categories: financial assets at fair value through profit or loss and financial assets at amortized cost. The classification of financial assets is based on the purpose of the acquisition (business model for managing the asset) that is determined upon initial recognition. Transaction costs are included in the original carrying amount of a financial asset when the item is not measured at fair value through profit or loss. Purchases and sales of financial assets are recorded on the trade date. Items recognized at amortized cost comprise trade receivables.

Financial liabilities are initially recognized at fair value minus the transaction costs that are directly attributable to the acquisition or issue of financial liability. Subsequently financial liabilities, except for derivative liabilities, are measured at amortized cost using the effective interest rate (EIR) method. Financial liabilities may include both non-current and current liabilities and they can be interest-bearing or non-interest-bearing.

Financial assets and liabilities measured at fair value are presented in accordance with the hierarchy levels based on fair value measurement. Levels 1, 2 and 3 are based on the source of information used in the measurement. On level 1, fair values are based on public quotes. On level 2, fair values are based on quoted market rates and prices, discounted cash flows, and valuation models (options). For assets and liabilities classified on level 3, there is no reliable market information source, and therefore, the fair values of these instruments are not based on market information.

To measure expected credit losses of trade receivables from customers, the Group uses a simplified approach. According to the approach the loss allowance is measured based on an allowance matrix and recognized at an amount equal to lifetime expected credit losses. Expected credit losses are measured based on historical information on previous credit losses, and also the available information on future economic conditions is included in the model.

Derivative contracts

Derivative contracts are initially recognized at fair value on the date on which the Group becomes party to the contract and are subsequently measured at fair value. The Group has no derivative contracts in 2023 and 2024.

Cash and cash equivalents

Cash and cash equivalents include cash and cash equivalents which are highly liquid and have a maturity of no more than three months from the date of acquisition.

Treasury shares

The repurchase of our own shares as well as the related direct costs are recorded as deductions in equity.

Provisions

A provision is recognized when the Group has a legal or constructive obligation as a result of an action, the outflow of resources required to settle the obligation is probable, and a reliable estimate of the amount can be made.

A restructuring provision is recognized when a detailed and appropriate plan has been prepared and the company has begun to implement the plan or has announced that it will do so. Restructuring provisions are based on the management's best estimate of the expenses to be incurred, e.g., from employee termination payments.

A provision for a loss-making agreement is recognized when unavoidable expenditure required to fulfill the obligations exceeds the benefits obtainable from the agreement.

Accounting principles that require management consideration, and essential factors of uncertainty related to management estimates

The preparation of the financial statements in accordance with IFRS standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities at the date of the balance sheet, as well as the amounts of income and expenses for the reporting period and future periods. In addition, professional judgment is required in applying the accounting principles used in the preparation of the financial statements. Since the estimates and assumptions related to the determination of the carrying amounts of assets and liabilities are based on management's views at the date of the financial statements, expected outcomes, and other assumptions that were available when preparing these consolidated financial statements and are considered appropriate in the circumstances. Estimates involve risks and uncertainties, and actual outcomes may differ from the estimates and assumptions made.

In estimates requiring management judgment, the management has taken into account general uncertainties such as geopolitical tensions, inflation, and uncertainties affecting the overall economic development in the valuation. Uncertainties may affect revenue development, the discount rate used, and the evolution of the company's cost structure. Additionally, uncertainties may impact the company's customers' payment behavior, as well as potential misjudgments in the capitalization of research and development expenses resulting from technology choices.

Estimates are reviewed if there are changes in circumstances or if new information or experience is obtained. Since estimates inherently involve various degrees of uncertainty, the actual outcome may differ from the estimated, leading to adjustments in the carrying amounts of assets and liabilities.

Learn more about the key areas which require management consideration:

- Share-based payments and option schemes (Note 7)
- Product development expenditure (Note 9)
- Goodwill (Note 14)
- Deferred tax (Note 17)
- Trade receivables (Note 18)
- Leases (Note 27)
- Financial risk management (Note 28)

Adoption of new or revised IFRS standards

The Group has not yet adopted the following already published new or amended standards and interpretations. The Group will adopt them immediately after the standard or interpretation is effective or, when applicable, at the beginning of the next financial year. (*= On December 31, 2024, the standard in question was not yet approved for adoption in EU)

Annual Improvements to IFRS Accounting Standards—Volume 11* (effective for financial years beginning on or after 1 January 2026, early application is permitted). Management estimates the impact of individual standards on the Group’s reporting.

IFRS 18 Presentation and Disclosure in Financial Statements* (effective for financial years beginning on or after 1 January 2027, early application is permitted). The change in the standard will affect the presentation of Group financial statement.

Other new and revised standards and interpretations are not expected to influence the Consolidated Financial Statements when they become effective.

2. SEGMENT INFORMATION

QPR Software reports on one operating segment: Operational development of organizations. In addition to this, the Company reports net sales from products and services as follows: Software licenses, Renewable software licenses, Software maintenance services, Cloud services, and Consulting services. Recurring revenue reported by the Group consists of software maintenance services and cloud services as well as of renewable software licenses. They are based on long-term, indefinite, or multiyear contracts, and are generally invoiced annually in advance.

The accounting and valuation principles for the segments are the same as in the Consolidated Financial Statements.

Group, IFRS (EUR 1, 000)	**2024**	2023
Net sales by Operating segment		
Operational development of organizations	6,614	7,550
Total net sales	**6,614**	**7,550**

3. NET SALES

Net Sales by Product Group

The Group's net sales derive from software and consulting businesses are broken down as follows:

	Group, IFRS (EUR 1,000)		
	2024	2023	Change %
Software licenses	926	485	91 %
Renewable software licenses	420	504	-17 %
Software maintenance services	1,717	1,720	0 %
Cloud services	2,721	2,371	15 %
Consulting services	830	2,469	-66 %
Total net sales	**6,614**	**7,550**	**-12 %**

Net sales geographically

The geographical areas reported are Finland, the rest of Europe including Turkey, and the rest of the world. Net sales are reported according to the customer’s headquarter location.

	Group, IFRS (EUR 1,000)		
	2024	2023	Change %
Finland	2,579	3,499	-26 %
Europe incl. Turkey	2,656	3,128	-15 %
Rest of the world	1,379	923	49 %
Total net sales	**6,614**	**7,550**	**-12 %**

Balance sheet items based on customer agreements are presented in Note 22.

4. OTHER OPERATING INCOME

	Group, IFRS (EUR 1,000)	
	2024	2023
Government grants	132	-
Other items	-	1
Total	**132**	**1**

5. MATERIALS AND SERVICES

	Group, IFRS (EUR 1,000)	
	2024	2023
Materials and services*	1,026	1,241

*The company has reported the production costs of the cloud platform within the materials and services expense category starting from the financial year 2024. The figures for the comparative period have been presented according to both reported and 2024 cost groupings.

6. EMPLOYEES AND RELATED PARTIES

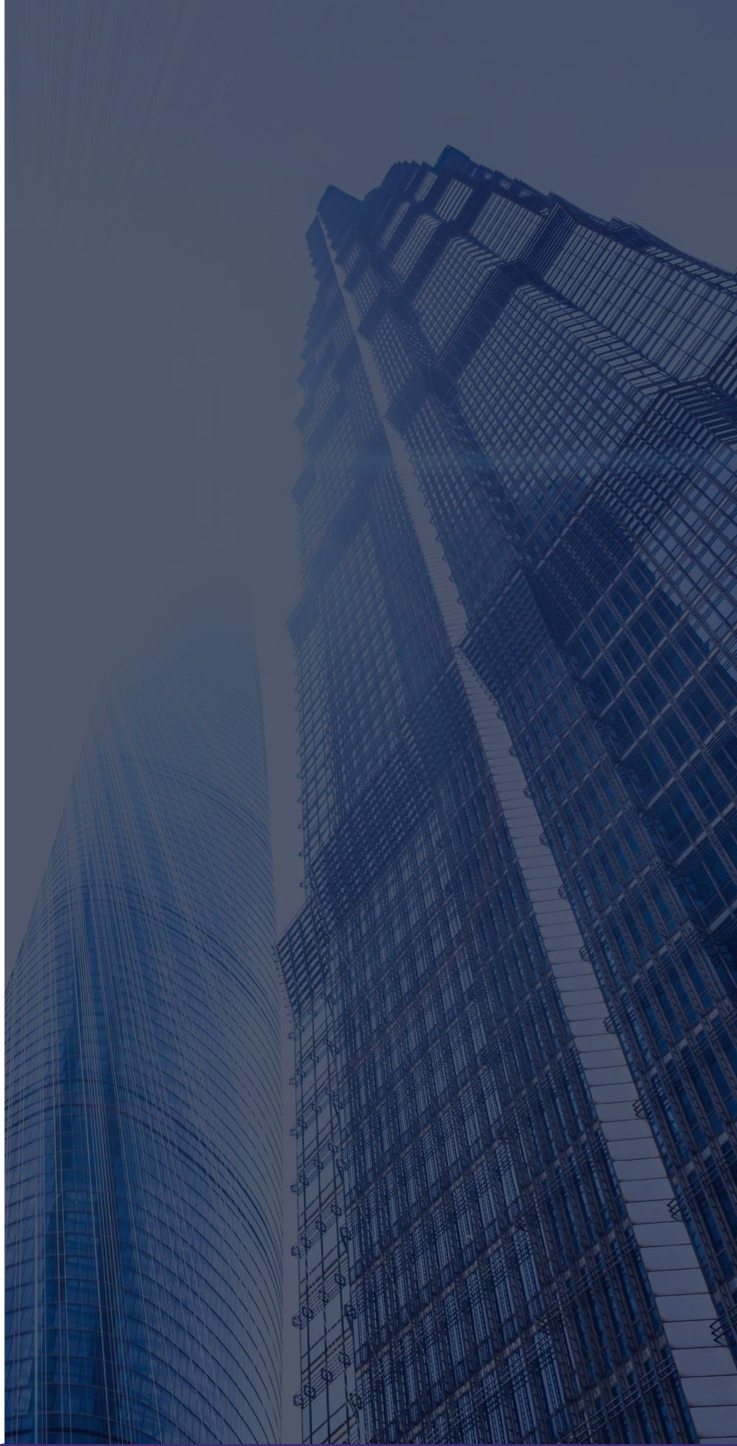
	Group, IFRS (EUR 1,000)	
	2024	2023
Wages and salaries	2,955	4,425
Pension expenses - defined contribution plans	558	741
Other personnel expenses	47	121
Total	**3,467**	**5,287**
Average number of employees during the year (persons)	33	57

Related parties

The Group and the parent company's related parties include members of the parent company's Board of Directors and the Executive Management Team, including the Chief Executive Officer, their spouses, domestic partners, children and dependents, spouses' or domestic partners' children and dependents, as well as entities controlled by any such related party.

The Group does not have any loans, commitments or guarantees granted to or received from related parties. The Group has not had business transactions with related parties in 2024 and 2023.

The list of Group companies has been presented in Note 16.



Salaries, bonuses, fringe benefits and change in vacation bonus and bonus accruals for management

The Group has determined management to include members of the Board of Directors and the Executive Management Team, including the Chief Executive Officer.

	Group, IFRS (EUR 1,000)	
	2024	2023
Salaries and other short-term benefits:		
Members of the Board of Directors	120	120
Chief Executive Officer Jussi Vasama	-	56
Chief Executive Officer Heikki Veijola	181	163
Executive Management Team	1,029	1,041
Total	**1,330**	**1,380**

Bonuses of the Parent company's Board of Directors

(EUR 1,000)	**2024**	2023
Board fees by member:		
Ervi Pertti, Chairman of the Board	45	45
Heikkonen Matti	-	25
Koskela Antti	25	25
von Schantz Linda	25	-
Tapaninen Jukka	25	25
Total	**120**	**120**

QPR Software Plc's Annual General meeting held on May 15th 2024, resolved that EUR 45,000 annual fee (2023: EUR 45,000) shall be paid for the Chairman of the Board of Directors and EUR 25,000 (2023: EUR 25,000) annual fee shall be paid for the other members of the Board of Directors. Approximately 40 % of the remuneration to the members of the Board of Directors will be paid in the company's shares and 60% in cash, and the shares will be granted as soon as it is possible after the next Annual General Meeting when insider rules allow it. No separate meeting fees are paid.

The Company does not have any exceptional pension arrangements for the CEO. Pension expenses accrued, based on the CEO's salary and bonuses and the Finnish pension legislation, amounted to EUR 32 thousand in 2024 (2023: EUR 39 thousand).

The period of notice for the CEO is four (4) months. Compensation on termination is equivalent to three (3) month's salary. Other members of the Group's Executive Management Team do not enjoy special benefits related to termination of their contract.

In 2024, the maximum annual bonus of Executive Management Team, including the CEO, was 50% of the annual base salary. The bonus scheme for members of the Executive Management Team was based on a set of KPI's including development of the Group net sales, new sales and other non-financial KPI's 2023. For financial year 2024 about 110 thousand euros (2023: EUR 44 thousand) will be paid to the executive management team, including the CEO.

7. SHARE BASED PAYMENTS

Option scheme

QPR Software is operating with 2022, 2023 and 2024 stock option plans intending to use these as part of the Group's incentive and commitment program for the key employees. The purpose of the stock options is to encourage the key employees to work on a long-term basis to increase the shareholder value and retain the key employees at the company. The stock options are issued gratuitously.

The subscription period for the previous stock options marked 2019 B was January 1 - January 31, 2024, and no shares were exercised in the scheme.

The number of shares for the stock option plan 2022, subscribed by exercising stock option corresponds to a maximum of 1.9% of the Company's shares and votes after possible share subscriptions, if new shares are issued in the share subscription. As a result of the share subscriptions with stock options, the number of the Company's shares may increase by a maximum of 489,542 shares, if new shares are issued in the share subscription.

The number of shares for the stock option plan 2023, subscribed by exercising stock options corresponds to a maximum of 5.2% of the Company's shares and votes after possible share subscriptions, if new shares are issued in the share subscription. As a result of the share subscriptions with stock options, the number of the Company's shares may increase by a maximum of 1,000,000 shares if new shares are issued in the share subscription.

The number of shares for the stock option plan 2024A, subscribed by exercising stock option corresponds to a maximum of 4.0% of the Company's shares and votes after possible share subscriptions, if new shares are issued in the share subscription. As a result of the share subscriptions with stock options, the number of the Company's shares may increase by a maximum of 720,00 shares.

The amount of 540 000 stock options is marked with the symbol 2024 B and 540 000 with the symbol 2024 C. The share subscription period with the Stock Options 2024 B shall be between September 9, 2028 and September 8, 2030. The share subscription period with the Stock Options 2024 C shall be between September 9, 2029 and September 8, 2031. The theoretical market value of the stock options 2024 B and stock options 2024 C shall be determined at the grant date of the stock options.

The terms and conditions of the stock options 2022, 2023 and 2024 are available on the company's webpage: www.qpr.com.

SHARE-BASED PAYMENT ARRANGEMENTS GRANTED

	2022	2023	2024A
Subscription period	15.6.2025-31.5.2027	6.9.2026-6.9.2028	10.9.2024-9.9.2029
Share subscription price	0,85	0,42	0,59
Stock options outstanding at the end of the period, pcs	489,542	1,000,000	720,000
Estimated expense of share option program, EUR 1,000	88	150	131

8. DEPRECIATION AND AMORTIZATION

Group, IFRS (EUR 1,000)	2024	2023
Intangible assets	934	787
Tangible assets		
Machinery and equipment	55	90
Right-of-use assets, buildings	47	118
Total	**1,036**	**995**

Write-downs of EUR 2 thousand (EUR 0) have been made on assets in 2024.

9. OTHER OPERATING EXPENSES

Other operating expenses by expense category

Group, IFRS (EUR 1,000)	2024	2023
Non-statutory indirect employee costs	74	93
Premise expenses	59	52
Travel expenses	49	14
Marketing and other sales promotion	200	223
Computers and software	276	615
External services	758	258
Doubtful receivables and bad debts	-23	2
Capitalized product development expenses	-331	-619
Other expenses	173	201
Total	**1,234**	**840**

Auditors remunerations

Auditing	66	73
Other services	3	2
Total	**69**	**75**

Product development expenses incurred during the year

Expenses recognized in profit or loss	979	809
Capitalized expenses	331	619
Total	**1,310**	**1,428**

Product development expenses mainly consist of external services and personnel expenses. Recognized expenses do not include amortization. The amortization of capitalized product development expenses is presented in Note 13.

10 . FINANCIAL INCOME AND EXPENSES

Recognized in profit or loss

	Group, IFRS (EUR 1,000) 2024	2023
Interest income from loans and other receivables	5	1
Other financial income	-	-
Exchange rate differences	11	0
Financial income total	**16**	**1**
Interest expenses of the financial liabilities measured at amortized cost	-36	-89
Other financial expenses	-50	-9
Exchange rate differences	-17	-14
Financial expenses total	**-103**	**-112**
Financial income and expenses, net	**-87**	**-111**

Exchange rate differences in profit and loss

	2024	2023
Exchange rate differences included in net sales	9	-40
Exchange rate gains in financial income	11	0
Exchange rate losses in financial expenses	-17	-14
Total	**2**	**-54**

11. INCOME TAXES

Recognized in profit or loss	Group, IFRS (EUR 1,000)	
	2024	2023
Current tax expense	-18	0
Tax expense from previous years	-13	0
Deferred tax	52	0
Total	**21**	**0**

Reconciliation of tax rate	Group, IFRS (EUR 1,000)	
	2024	2023
Result before tax	-103	-924
"Income tax calculated at the Finnish	21	185
Effect of different tax rates in foreign subsidiaries	-3	-1
Effect of options and IFRS 16	-23	6
Other items	-	-11
Withholding tax	-	19
Deferred tax of right issue costs	-	19
Recognition of previously unrecognized tax loss	55	-
Tax effect of deductable temporary expense	11	-
Tax expense from previous years	-13	-
Recognition of new deferred tax asset	152	-
Unrecognized deferred tax asset	-179	-217
Tax expense in the comprehensive income statement	**21**	**0**

12. EARNINGS PER SHARE

Undiluted earnings per share are calculated by dividingtotal comprehensive income attributable to shareholders of the parent company by the weighted average number of shares outstanding during the financial year.

	Group, IFRS (EUR 1,000)	
	2024	2023
Total comprehensive income attributable to of the parent company (EUR thousand)	-82	-924
Number of shares outstanding (1,000 pcs)	17,836	16,678
Earnings per share (EUR/share)		
Undiluted and diluted	-0,005	-0,055

The Group is operating stock option plans 2022, 2023 and 2024. In 2024 and 2023, the stock option scheme did not have a dilutive effect. Total outstanding shares on December 31, 2025 were 17,835,721.

13. INTANGIBLE ASSETS

Group (EUR 1,000), IFRS	Computer software	Other intangible assets	Capitalized product development	Total
Book value Jan 1, 2023	**3**	**28**	**2,380**	**2,411**
Increases and decreases	0	2	619	620
Amortization for the financial year	-2	-3	-782	-787
Acquisition cost Dec 31, 2023	1,064	2,632	10,318	14,014
Accum. amortization and write-downs Dec 31, 2023	-1,063	-2,605	-8,101	-11,769
Book value Dec 31, 2023	**1**	**29**	**2,217**	**2,245**
Book value Jan 1, 2024	**1**	**29**	**2,217**	**2,245**
Increases and transfers	0	0	331	331
Amortization for the financial year	-1	-16	-919	-935
Acquisition cost Dec 31, 2024	1,064	2,632	10,649	14,345
Accum. amortization and write-downs Dec 31, 2024	-1,064	-2,621	-9,020	-12,705
Book value Dec 31, 2024	**0**	**13**	**1,629**	**1,641**

Capitalized product development expenses were EUR 341 thousand (2023: EUR 2,181 thousand). Unfinished product development projects EUR 26 thousand (2023: EUR 36 thousand), which have not yet commercialized and respectively started depreciations, were recognized in the balance sheet at the end of the financial year. Capitalized product development expenses are tested for impairment at the end of each financial year or at any event if there is indication of impairment on any asset.

The capitalized product development expenses has been performed for impairment test at December 31, 2024, based on which the amount to be generated from the cash-generating unit is determined based on value-in-use calculations.

The impairment test calculations are prepared following the discounted cash flow method using the management approved estimates driven from budget for the following year and subsequent development derived from the strategic plans. The terminal year value has been defined based on the long-term strategic plans taking average cash flows of the period. Cash flows beyond the 5-year period are calculated using the terminal value method. The terminal growth rate of 2.0% percent (1.0%) used in projections is based on management's assessment on conservative long-term growth. Key driver for the valuation is the revenue growth based on the Group's performance and future strategic growth plans, market position as well as the potential in key markets. The applied discount rate is the weighted average pre-tax cost of capital (WACC). The components of the WACC are risk-free rate, market risk premium, company specific factor, and industry specific beta, cost of debt and debt/equity ratio. The WACC of 10.24% percent (11.36 %) has been used in the calculations. As a result of the impairment test, no impairment loss for the CGU was recognized for the financial period end December 31,2024. Based on testing performed in 2024, no need was found for recognizing impairment losses: a clear margin was left for each tested unit.

Accounting estimates and management's judgements

The management uses significant estimates and judgement when determining whether there are indications of impairment of R&D assets. Management judgement has also been used when defining the amount of cash generating units and taken into account software business area and related consulting recoverable amounts. The cash flow projections are based on budgets and financial estimates approved by management covering a 5-year period. Cash flow forecasts are based on QPR's existing business structure, actual results and the management's best estimates on future sales, cost and EBITDA development, general market conditions, growth potential on the marketas well as economical uncertainties. Management has considered in the estimates the impact of decided structural changes in all business areas to improve performance. Management tests the impacts of changes in significant estimates used in forecasts by sensitivity analyses. According to Group level sensitivity analyses for R&D assets, there will be need for write-downs, if the growth rate of net sales decreases of expected average growth rate by 38 per sentage , regardless of possible cost savings. Expected changes of discount rate do not have impact to the impairment testing results.

14. GOODWILL

Group (EUR 1,000)	2024	2023
Acquisition cost Jan 1	358	358
Acquisition cost Dec 31	358	358
Book value Dec 31	**358**	**358**

QPR's goodwill arises from the acquisition of Nobultec Ltd in 2011 and it has been allocated to the group software business (previously to the Process Mining business unit).

QPR has made goodwill impairment test for the reporting period at 31.12.2024. The recoverable amount from the cash generating unit is determined based on value in-use calculations. The calculations are prepared following the discounted cash flow method using the management approved estimates driven from budget for the following year and subsequent development derived from the strategic plans. Terminal year value has been defined based on the long-term strategic plans. Cash flows beyond the 5-year period are calculated using the terminal value method. The terminal growth rate of 2.0% percent (1.0%) used in projections is based on management's assessment on conservative long-term growth. Key driver for the valuation is the revenue growth based on the software business performance and future strategic growth plans, market position as well as the potential in key markets. The applied discount rate is the weighted average pre-tax cost of capital (WACC). The components of the WACC are risk-free rate, market risk premium, company specific factor, and industry specific beta, cost of debt and debt/equity ratio. The WACC of 10.24% percent (11.36 %) has been used in the calculations. As a result of the impairment test, no impairment loss for the CGU was recognized for the financial period ended December 31, 2024. When assessing the recoverable amounts of cash generating unit, management believes that no reasonably possible change in any of the key variables used would lead to a situation where the recoverable amount of the unit would fall below their carrying amount. Considering that, QPR does not present any sensitivity analyses regarding impairment test.

Accounting estimates and management's judgements

The management uses significant estimates and judgement when determining whether there are indications of impairment of goodwill. Management judgement has also been used when defining the amount of cash generating units and considered Process Mining software business area and related consulting recoverable cash flows, as well as recoverable cash flows from common functions. The cash flow projections are based on budgets and financial estimates approved by management covering a 5-year period. Cash flow forecasts are based on QPR's existing business structure, actual results and the management's best estimates on future Net Sales, cost development, general market conditions and growth potential on the market as well as economic uncertainties. Management has considered decided structural changes impacting to all business areas for improving performance as well as realized last quarter growth drivers. Management tests the impacts of changes in significant estimates used in forecasts by sensitivity analyses.

15. TANGIBLE AND RIGHT-OF-USE ASSETS

Group (EUR 1,000), IFRS	Machinery and equipment	Right-of-use assets: buildings
Book value Jan 1, 2023	**2,277**	**756**
Increases	-	-
Decreases	-	-319
Depreciation for the financial year	-90	-118
Acquisition cost Dec 31, 2023	2,277	1,535
Accum. depreciation and write-downs Dec 31, 2023	-2,195	-1217
Book value Dec 31, 2023	**81**	**318**
Book value Jan 1, 2024	**81**	**318**
Increases	-	412
Decreases	-6	-307
Depreciation for the financial year	-55	-47
Acquisition cost Dec 31, 2024	2,272	1,641
Accum. depreciation and write-downs Dec 31, 2024	-2,250	-1,264
Book value Dec 31, 2024	**20**	**377**

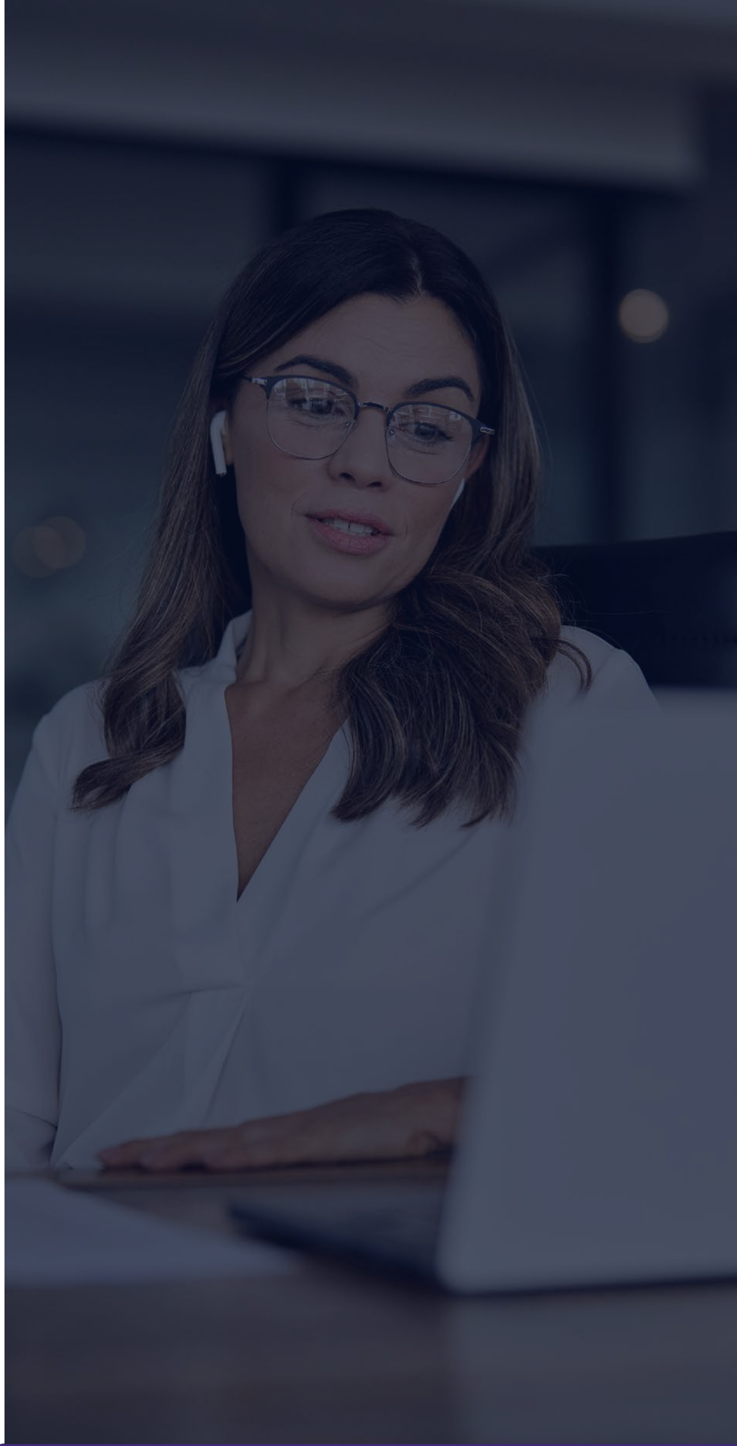
The Notes related to lease agreements in Right-of-use assets are presented in Notes 27 Leases agreements.

16. SHARES AND OTHER INVESTMENTS

The parent company of the Group is QPR Software Plc.

Subsidiaries owned by parent company	Domicile	**2024**	2023
Owned directly:			
QPR CIS Oy	Helsinki, Finland	100 %	100 %
QPR Software AB	Stockholm, Sweden	100 %	100 %
QPR Services Oy	Helsinki, Finland	100 %	100 %
QPR Software Inc.	San Jose, CA, USA	100 %	100 %
QPR Software Limited	London, UK	100 %	100 %

Other shares	**2024**	2023
Acquisition cost Jan 1	4,562	4,562
Acquisition cost Dec 31	4,562	4,562
Book value Dec 31	**4,562**	**4,562**



17. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets, based on tax-loss carryforwards, have changed as follows:

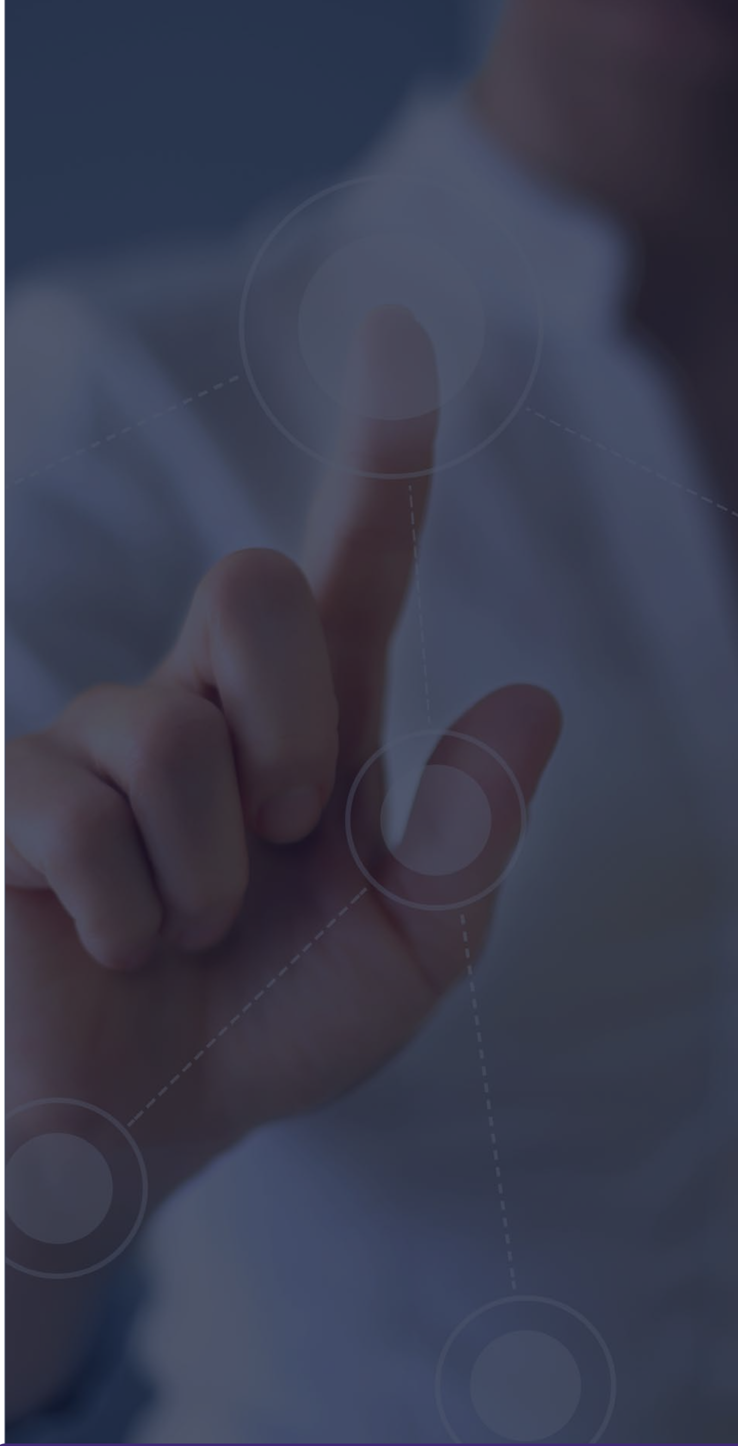
	Group, IFRS (EUR 1,000)	
	2024	2023
Jan 1	273	273
Recorded in income statement	52	-
Dec 31	**325**	**273**

During the financial year, the Group was able to utilize the unused tax losses of its Finnish companies amounting to EUR 327 thousand in the corporate taxation of these companies.

A deferred tax asset of EUR 325 thousand (2023:273 thousand) has been recognized in the balance sheet for confirmed and estimated unused losses of the Group's Finnish Companies. These tax assets companies will most likely be able to utilize before the end of the utilization period.

Unbooked deferred tax assets for the loss in 2023 amount to EUR 216 thousand, for 2022 amounted to EUR 591 thousand and for year 2021 amounted to EUR 119 thousand. The total of unbooked deferred tax assets is EUR 926 thousand. Recognized and unrecognized deferred tax assets are EUR 1,250 thousand.

As of the Financial Statement date December 31, 2024, QPR has estimated if it is probable that company can utilize the deferred tax assets in future. The evaluation was mainly based on previous results of financial years. The conclusion drawn based on the evaluation is based on emphasizing objective unfavorable evidence compared to more subjective favorable evidence. The primary factors in this assessment are used more objectively include realized long-term financial performance compared to inherently more subjective expectations of future financial performance in Finland. QPR continues to assess the utilization of deferred tax assets, especially monitoring realized profits, and may reclassify the deferred tax asset related to Finland back to the balance sheet when sufficient tax profitability is achieved. In Finland, deferred tax assets can be offset against profits for the next ten tax years from 2027 to 2033, and those can be utilized against future tax liabilities in Finland.



18. TRADE AND OTHER RECEIVABLES

Group, IFRS (1,000 EUR)	**2024**	2023
Trade receivables	2,024	1,290
Credit loss provision	-5	-7
Accrued income and prepaid expenses	186	218
Other receivables	150	205
Total	**2,355**	**1,706**

Geographical breakdown of trade receivables:

Finland	691	547
Other European countries incl. Turkey	650	452
Countries outside Europe	683	291
Total	**2,024**	**1,290**

Currency breakdown of trade receivables:

	Group, IFRS			
(EUR 1,000)	**2024**	%	**2023**	%
EUR (Euro)	1,634	80.7	1,014	78.6
USD (U.S. Dollar)	307	15.2	248	19.2
SEK (Swedish Krona)	18	0.9	3	0.2
ZAR (South African Rand)	15	0.7	9	0.7
JPY (Japanese Yen)	21	1.0	13	1.0
GBP (Pound Sterling)	29	1.4	4	0.3
AED (United Arab Emirates dirham)	0	-	-	-
Total	**2,024**	**100**	**1,290**	**100**

Age analysis of trade receivables:

	Group, IFRS			
(EUR 1,000)	2024	%	2023	%
Not due	1,363	67.4	681	52.8
0 - 90 days overdue	593	29.3	543	42.1
90 - 180 days overdue	63	3.1	33	2.5
More than 180 days overdue	5	0.2	33	2.6
Total	**2,024**	**100**	**1,290**	**100**

Fair value of trade receivables:

The initial book value of trade receivables equals fair value because the effect of discounting is not material considering maturity.

Credit losses and provision of credit losses

(EUR 1,000)	Trade receivables	Credit loss expectation based on trade receivables 2024
Not due	1,363	0
0 - 60 days overdue	566	3
60 - 120 days overdue	62	1
120 - 180 days overdue	29	1
>180 days overdue	5	0
Total	**2,024**	**5**

In addition to the maturity-based matrix for trade receivables, in 2024, the Company has not recognized additional provisions for credit losses (2023: EUR 0).

Credit losses of EUR 3 thousand (2023: EUR 2 thousand) on trade receivables have been recognized in the Group's result. .

19. CASH AND CASH EQUIVALENTS

	Group, IFRS (EUR 1,000)	
	2024	2023
Bank accounts	825	884
Total	**825**	**884**

20. BALANCE SHEET ITEMS RELATED TO CUSTOMER CONTRACTS

	Group, IFRS (EUR 1,000)	
	2024	2023
Trade receivables	2,024	1,290
Contract assets	119	34
Contract liabilities	-2,534	-2,186

Contract assets are items for which performance obligations have already been fulfilled, but the customers have not yet been invoiced. In QPR Software, contract assets are usually related to consulting services, which are invoiced after the performance obligations have been fulfilled.

Contract liabilities, on the contrary, are items which have already been invoiced, but for which performance obligations have not yet been entirely fulfilled. In QPR Software, contract liabilities are usually related to maintenance or SaaS fees, which are invoiced in advance and are recognized as revenue over the duration of the contract period.

21. SHAREHOLDERS' EQUITY

Share

The Company has one series of shares and the maximum value of share capital is EUR 80 thousand. All issued shares have been paid in full.

Other funds

Includes the reserve fund in subsidiary QPR Software AB.

Treasury shares

Includes the purchase price of shares repurchased by the Group.

Invested unrestricted equity fund

Invested unrestricted equity fund includes proceedings from right issuance arranged in third quarter 2023. Along the right issuance 1,719,871 new shares were registered. According to Finnish accounting strandards, invested unrestriced equity fund is reported into gross value.

Changes in number of shares	Parent company QPR Software Oyj (1 000 pcs)	
	2024	2023
Shares at Jan 1.	18,175	16,455
Subscriptions	-	1,720
Shares at Dec. 31	18,175	18,175

Calculation of the distributable funds	Parent company QPR Software Oyj (EUR)	
	2024	2023
Retained earnings	-4,205,310	-2,747,372
Result for the financial year	-643,379	-1,402,736
Dividends paid	-	-
Treasury shares	-244,349	-347,552
Invested unrestricted equity fund	5,529,731	5,529,731
Distributable funds	**436,693**	**1,032,072**

22. OTHER NON-CURRENT LIABILITIES AND INTEREST-BEARING

Non-current liabilities	Group, IFRS (EUR 1,000)	
	2024	2023
Non-current Lease liabilities	372	192
Loans from banks	500	1,000
Total	**872**	**1,192**

Current interest-bearing loans	Group, IFRS (EUR 1,000)	
	2024	2023
Loans from banks, next year repayment	500	500
Lease liabilities	29	126
Total	**529**	**626**

The company has EUR 500 thousand of long-term and 500 thousand of short-term loan from banks. Interest-bearing loans consist of euribor 12 months and 1.05% interest margin.

The Group has a credit limit of EUR 0.5 million, which was not in use at the end of 2024 (2023: EUR 0 thousand).

The parent company has a revolving credit facility of EUR 1.5 million with Nordea for financing need. The funds were used at the end of 2024 EUR 0.5 million (2023: EUR 1.0 million) in the long-term loans and EUR 0.5 million (2023: EUR 1.0 million) in the short-term loans. The agreement for the revolving credit facility was renewed 24th January 2023 and transferred as long-term loan. A new loan has a loan period of three (3) years and will be maturing on January 31, 2025, and January 31, 2026.

Covenants attached to the loan, are based on the company's EBITDA and equity ratio. The EBITDA is tested every six months, and the equity ratio is tested annually according to the situation on the last day of the year. At the covenant test on December 31, 2024, EBITDA exceeded the covenant limit agreed.

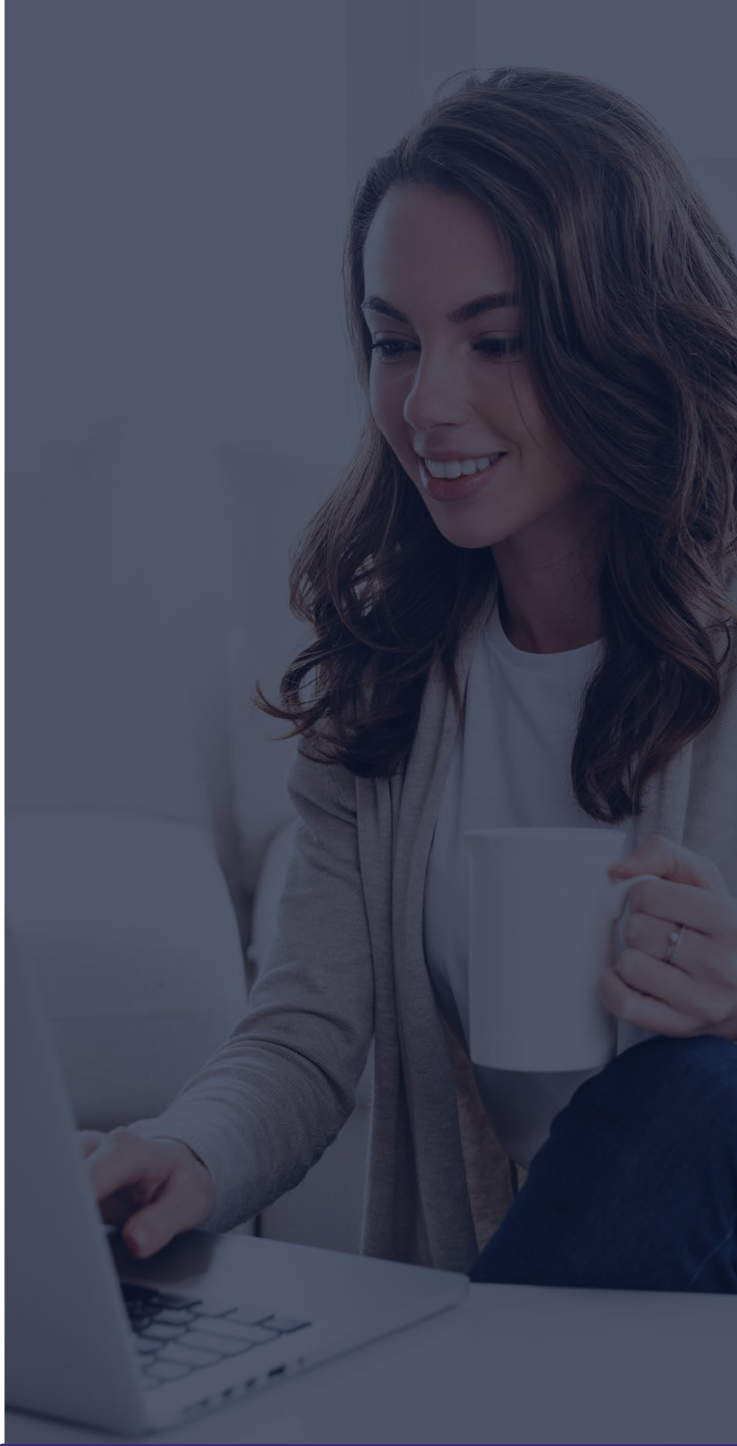
Considering the discounted present value of the debt, taking into account its maturity and interest rate, it is 981 thousand euros, which is 18 thousand euros lower than the original book value of the debt, which was 1.0 million euros.

Repayment schedule of right-of-use liabilities

Group, IFRS

(EUR 1,000)

	Nominal interest rate	Maturity	**2024** Book value	2023 Book value
Lease liabilities	4%	2024-2034	402	318
Interest-bearing right-of-use liabilities			**402**	**318**



23. TRADE PAYABLES AND OTHER LIABILITIES

Group, IFRS (EUR 1,000)	**2024**	2023
Trade payables	374	212
Accrued expenses and prepaid income	707	1,539
Advances received	2,363	1,558
Other liabilities	659	395
Total	**4,104**	**3,703**

The initial carrying amount of trade payables and other liabilities corresponds to the fair value because the effect of discounting is not material considering the maturity of the item. The amount of trade payables in foreign currencies was 25 %, (2023: 23 %).

24. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The table discloses carrying amounts of financial assets and financial liabilities. The fair value hierarchy level for equity investments measured at fair value is 3. The carrying amount of other financial assets and financial liabilities is a reasonable estimate of their fair value. The financial assets and liabilities are classified in accordance with IFRS 9.

Carrying amounts of financial assets and financial liabilities Dec. 31, 2024

	Note	At fair value through profit or loss	Recognised at amortised cost	Total
Financial assets				
Financial assets measured at fair value				
Equity investments	16	5		5
Total		5		5
Financial assets not measured at fair value				
Trade and other receivables	18		2,355	2,355
Cash and cash equivalents	19		825	825
Total			3,180	3,180
Financial liabilities				
Financial liabilities not measured at fair value				
Bank borrowings	22		1,000	1,000
Right-of-use liabilities	22		402	402
Trade payables and other liabilities	23		4,104	4,104
Total			5,505	5,505

25. ADJUSTMENTS TO THE CASH FLOW FROM OPERATING

	Group, IFRS (EUR 1,000)	
	2024	2023
Other items	111	21
Total	**111**	**21**

Other items include Stock option program IFRS2 adjustments and accounts payable related to investments.

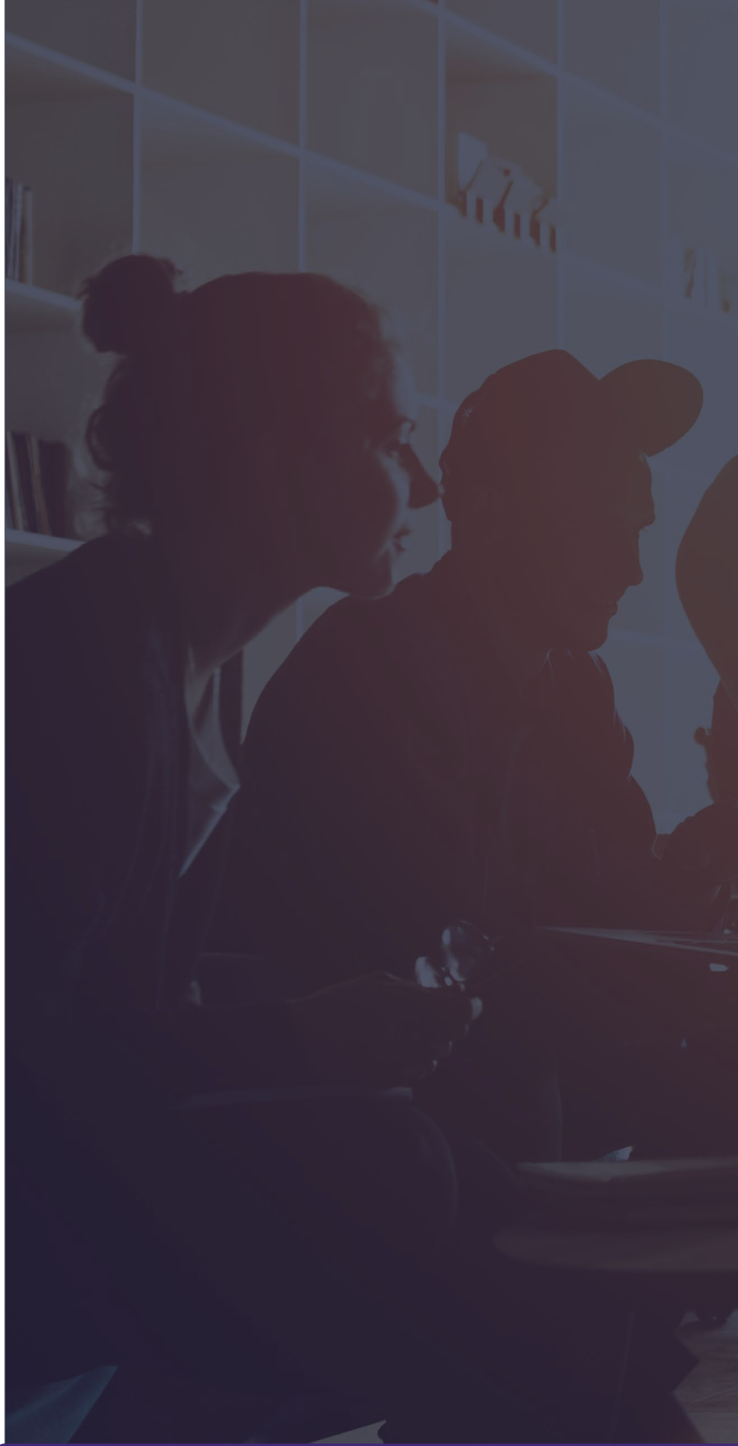
26. COMMITMENTS AND CONTINGENT LIABILITIES

	Group, IFRS (EUR 1,000)	
	2024	2023
Business mortgage	2,382	2,382
Lease liabilities and rental commitments		
Maturing within one year	26	30
Maturing during in 1-5 years	-	27
Total	**2,408**	**2,439**

Business mortgages are given as guarantee for Nordea towards revolving credit facility loan (EUR 1,5 million).

Rental guarantees totaling EUR 3 thousand are included in other current receivables.

Rental agreements related to office furniture and IT equipment are included in rental commitments.



27. LEASE AGREEMENTS

Leases in the Balance Sheet

Group, IFRS (EUR 1,000)	Dec 31, 2024	Dec 31, 2023
Assets		
Non-current assets		
Right-of use assets, buildings	402	318
Total	**402**	**318**
Lease liabilities, non-current	372	192
Lease liabilities, current	29	126
Total	**402**	**318**

Lease assets and liabilities are related to the office lease agreement of the Group parent company. The maturity of the agreement is presented in the Notes 28 Financial Risk Management.

Leases in the Income Statement

	2024	2023
Depreciation of right-of-use assets	-47	-118
Interest expenses	-18	-6
Total	**-65**	**-124**

The total cash outflow for leases in 2024 was EUR 152 thousand (2023: 121).

28. FINANCIAL RISK MANAGEMENT

The International business operations of QPR Group are exposed to risks typical in normal international transactions. Financial risk management aims to secure sufficient financing cost-effectively and to monitor, and when necessary, to mitigate the materializing risks. Risk management is a centralized responsibility of the Group's financing function and the CEO. The general risk management policies are approved by the QPR Software Plc Board of Directors. The Board is also responsible for supervising the adequacy, appropriateness, and effectiveness of the Group's risk management

Foreign exchange risk

The main sales currency for the Group is Euro and most purchases are made in Euros.

The majority of trade receivables are in Euros (EUR), 81% (79). During the financial year, the most significant invoicing currencies after EUR were the U.S. Dollar (USD) and the Japanese yen (JPY). If the value of USD and JPY against EUR were to decrease by 10%, and the share of currencies were to remain on the same level, the value of trade receivables would decrease by EUR 22 thousand, equalling 0.3 % of the total value of all trade receivables. Correspondingly, if the value of all non-EUR invoicing currencies were to decrease by 10%, the value of trade receivables would decrease by EUR 29 thousand. A breakdown of trade receivables by currency is presented in Note 18.

In accordance with the foreign exchange risk policy approved by the Board of Directors, the Company may engage in foreign currency hedging. The purpose of currency hedging is to reduce the uncertainty brought by exchange rates and to minimize the adverse impact of exchange rate changes to the Group's cash flow, financial results, and equity. Management regularly reviews the Company's foreign exchange risks, taking into account the hedging costs. At the end of 2024 and 2023, the Company did not have any hedging instruments.

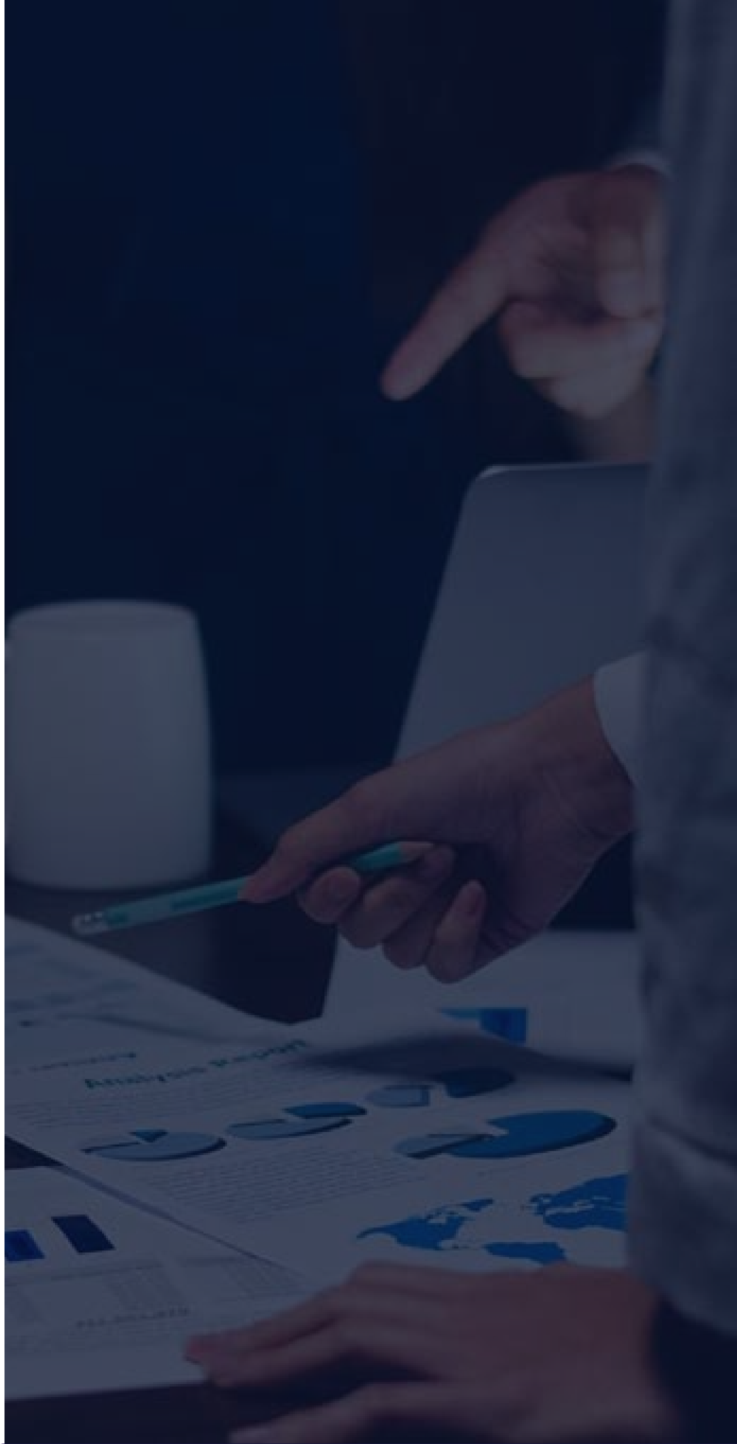
Interest rate risk

The impact of interest rate changes on the Group result is insignificant and the Group did not take any hedging measures during the financial year. According to the financing agreement made on January 24th, 2024, the interest rate for the 0.5 million EUR long term and 0.5 million EUR short term loans is tied to 12 months Euribor.

Liquidity risk

Liquidity risk is defined as financial distress or extraordinarily high financing costs due to the shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing.

The purpose of liquidity risk management is to maintain sufficient liquidity and to ensure that funds are continuously available to finance business operations quickly enough. QPR maintains sufficient liquidity through efficient cash management and deposits. The Parent company has a loan amount of 1.0 million, bind under covenants, measured against EBITDA and own equity ratio. EBITDA based performance measure is tested bi-annually and own equity ratio annually in the end of year. The credit limit will be repaid in instalments of 500 thousand on January 31, 2025, and January 31,2026.



Maturity of financial assets and liabilities (numbers are undiscounted)

Dec, 31 2024

Group, IFRS

(EUR 1,000)	Book value	0–6 months	7–12 months	beyond 12 months
Trade and other payables	374	374	-	-
Bank borrowings, revolving credit facility	1000	500	-	500
Lease liabilities (IFRS16)	402	16	17	369
Total	**1,776**	**890**	**17**	**869**

Dec, 31 2023

Group, IFRS

(EUR 1,000)	Book value	0–6 months	7–12 months	beyond 12 months
Trade and other payables	212	212	-	-
Bank borrowings, revolving credit facility	1500	500	-	1000
Lease liabilities (IFRS16)	318	57	69	192
Total	**2,031**	**769**	**69**	**1,192**

The average interest rate of the bank loan was 3,917% (year 2023: 3,917%), which consist of Euribor 12 months and 1.05 % interest margin. Trade payables were interest-free and the imputed interest of the lease liability is 4.0% (year 2023: 4.563%)

Operative credit risk

The Group's international business operations are by their nature exposed to reasonable credit risk related to individual partners. However, the Group's customer base and reseller network is broad and spread over several market areas. Thus, the Group's trade receivables are collected from a large number of resellers and customers in several market areas, and according to management's estimate there are no concentrations of reseller, customer, or geographical risks. In addition, the continuous and active monitoring of receivables and credit limits aim to mitigate the Group's credit risks. The Group's maximum credit risk corresponds to the book value of trade receivables. Additional information on the Group's trade receivables is presented in Note 18.

29. CAPITAL MANAGEMENT

Group, IFRS (EUR 1,000)	**2024**	2023
Cash and cash equivalents	825	884
Net liabilities	577	934
Shareholders' equity	401	348
Gearing, %	143,9	268,3
Equity ratio, %	11,9	8,1
Total balance sheet	**5,906**	**5,869**

The development of Group's capital structure is monitored, in particular, through gearing and equity ratio.

30. RECONCILIATION OF ALTERNATIVE KEY FIGURES

	2024	2023
Total Equity at the end of the period	401	348
Balance sheet total	5,906	5,869
Advances received at the end of the period	2,534	1,558
Total equity at the end of the period x 100/ (Balance sheet total - advances received at the end of the period)	11.9%	8.1%

Parent Company Financial Statements 2024

PARENT COMPANY INCOME STATEMENT, FAS

(EUR)	Note	**2024**	2023
Net sales	3	**6,098,792**	**6,957,506**
Other operating income	4	458,607	388,696
Material and services	5	3,041,734	1,241,000
Personnel expenses	6	2,419,236	3,992,126
Depreciation and amortization	8	125,312	158,066
Other operating expenses	9	1,505,733	840,000
Total expenses		7,092,015	8,280,317
Operating result		**-534,617**	**-934,116**
Financial income and expenses	10	-108,762	-468,620
Result before taxes		**-643,379**	**-1,402,736**
Income taxes	11	-	-
Result for the financial year		**-643,379**	**-1,402,736**

PARENT COMPANY BALANCE SHEET, FAS

(EUR)	Note	**2024**	2023
ASSETS			
Non-current assets			
Intangible assets	13,14	13,781	84,107
Tangible assets	15	20,260	80,775
Investments in group companies	16	3,497,653	3,497,653
Other investments	16	4,562	4,562
Total non-current assets		**3,536,256**	**3,667,098**
Current assets			
Current receivables	16	2,885,012	3,472,941
Cash and cash equivalents	17	799,527	859,814
Total current assets		**3,684,539**	**4,332,755**
Total assets		**7,220,795**	**7,999,852**
EQUITY AND LIABILITIES			
Equity			
Share capital	19	80,000	80,000
Invested unrestricted equity fund	19	5,529,731	5,529,731
Retained earnings		-4,205,310	-2,747,372
Treasury shares		-244,349	-347,552
Result for the financial year		-643,379	-1,402,736
Total equity		**516,693**	**1,112,072**
Liabilities			
Non-current liabilities	20	500,000	1,000,000
Current liabilities	20,21	6,204,102	5,887,781
Total liabilities		**6,704,102**	**6,887,781**
Total equity and liabilities		**7,220,795**	**7,999,852**

PARENT COMPANY CASH FLOW STATEMENT, FAS

(EUR)	**2024**	2023
Cash flow from operations		
Operating result	-643,379	-1,402,736
Adjustment for the period:		
Depreciation and amortization	125,312	158,066
Non-cash transactions	48,000	356,610
Financial items, net	-4,733	-69,746
Taxes paid	-11,877	-
Cash flows before change in working capital	-486,677	-957,806
Change in working capital		
Increase (-) / decrease (+) in current receivables	-622,550	1,807,431
Increase (-) / decrease (+) in current liabilities*	-24,278	-952,531
Change in net working capital	-646,828	854,900
Net cash from operating activities	**-1,133,505**	**-102,905**
Cash flows from investing activities		
Investments in intangible assets	0	-1,657
Purchases of tangible assets	0	0
Investments in subsidiary loans granted	1,573,218	203,694
Net cash used in investing activities	**1,573,218**	**202,037**
Cash flows from financing activities		
Proceeds from current loans and borrowings	-	1,500,000
Repayments of short-term borrowings	-500,000	-1,500,000
Proceeds from share issuance	-	759,744
Cash flows from financing activities	**-500,000**	**759,744**
Change in cash and cash equivalents	**-60,287**	**858,876**
Cash and cash equivalents at the beginning of the year	**859,814**	**938**
Cash and cash equivalents at the end of the year	**799,527**	**859,814**

PARENT COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY, FAS

(EUR)	Number of shares	Restricted equity Share capital	Treasury shares	Unrestricted equity Invested unrestricted equity fund	Retained earnings	Total inrestricted equity	Total equity
Equity 31.12.2022	16,455,321	1,359,090	-405,726	3,454,341	-2,737,197	311,417	1,670,507
Right issue				796,300		796,300	796,300
Reduction of share capital		-1,279,090		1,279,090		1,279,090	0
Gain from the sale of own shares						0	0
Disposal of own shares			58,175		-10,175	48,000	48,000
Result for the year					-1,402,736	-1,402,736	-1,402,736
Equity 31.12.2023	**18,175,192**	**80,000**	**-347,551**	**5,529,731**	**-4,150,108**	**1,032,072**	**1,112,072**
Right issue						0	0
Reduction of share capital						0	0
Gain from the sale of own shares						0	0
Disposal of own shares			103,202		-55,202	48,000	48,000
Result for the year					-643,379	-643,379	-643,379
Equity 31.12.2024	**18,175,192**	**80,000**	**-244,349**	**5,529,731**	**-4,848,688**	**436,692**	**516,693**

1. Accounting principles of Parent company Financial Statements

Financial statements of the parent company, QPR Software Plc, have been prepared in accordance with Finnish Accounting Standards and corporation legislation (FAS), which differ in certain respects from the international standards (IFRS) used in the Consolidated Financial Statements.

Financial statements have been prepared using historical cost convention, unless otherwise disclosed in the accounting principles below. The parent company financial statements are presented in Euro. All figures are rounded, which means that the sum of individual amounts may differ from the total presented. Key figures have been calculated using exact amounts.

Foreign currency translation

Transactions denominated in foreign currency are translated using the exchange rate on the transaction date. At the end of the reporting period, financial assets and liabilities denominated in foreign currency are valued at balance sheet date. Exchange rate differences arising from foreign currency business transactions are recorded in their corresponding income statement accounts above operating profit; and the net exchange rate differences arising from financial items are recorded in financial income or expenses.

Revenue recognition and Advance payments

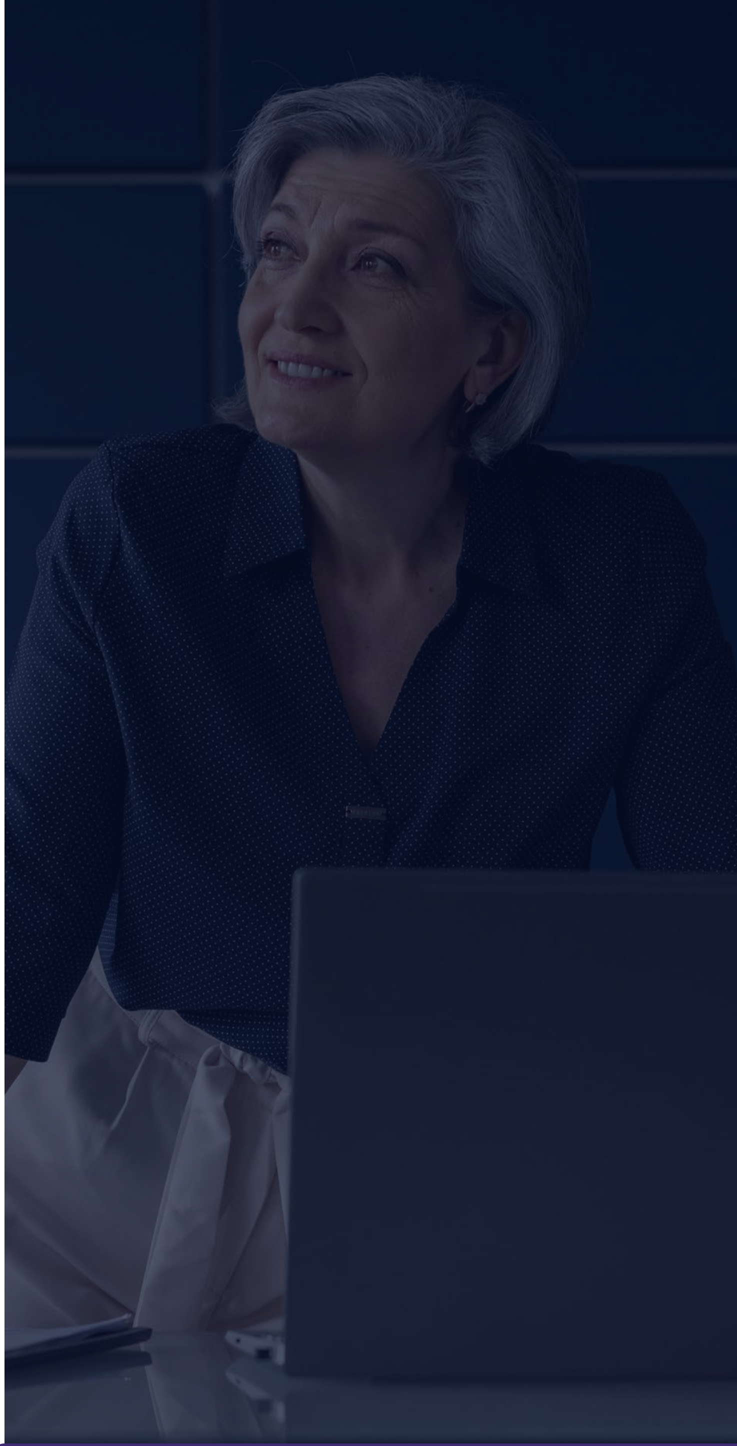
The parent company applies the same principles of revenue recognition and advance payment booking principles as the Group. The Group's principles of revenue recognition and advance payments are introduced in the accounting principles for consolidated financial statements.

Other operating income

Other operating income includes income that is not related to the parent company's core business. Public subsidies are included in other operating income, except when they are related to investments, in which case they are deducted from the acquisition cost of the asset.

Research and development expenditure

Research costs are expensed as incurred. Expenses related to the introduction of new technology, or the development of a new product are capitalized and amortized over the useful life of 4 years. When determining the duration of useful economic life, the technology's eventual obsolescence and the product's typical life cycle are considered. Amortization begins when the product becomes commercially viable. Maintenance costs and minor improvements to existing products are expensed.



2. SEGMENT INFORMATION

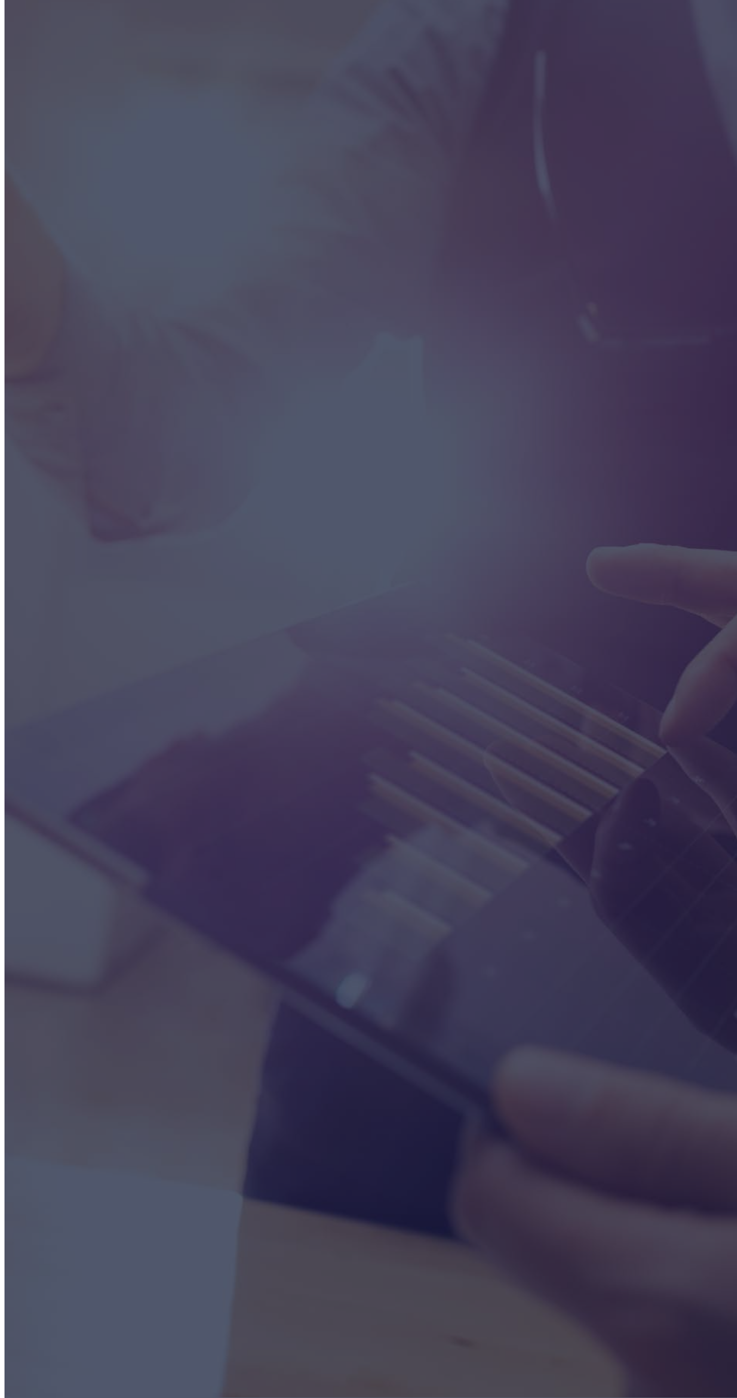
QPR Software reports on one operating segment which is Operational development of organizations. Segment information has been presented in the Notes number 2. Segment information.

3. NET SALES

Net Sales by Product Group

The Group's net sales derive from software and consulting businesses are broken down as follows

	Parent company, FAS (EUR)	
	2024	2023
Software licenses	915,791	446,561
Renewable software licenses	194,732	239,533
Software maintenance services	1,486,559	1,480,323
Cloud services	2,671,602	2,322,405
Consulting services	830,108	2,468,683
Total net sales	**6,098,792**	**6,957,506**



Net sales geographically

The geographical areas reported are Finland, the rest of Europe (including Turkey), and the rest of the world. Net sales are reported according to the customer's location. The company has closed its business and partnerships in Russia for the time being.

	Parent company, FAS (EUR)	
	2024	2023
Finland	2,454,348	3,499,399
Europe incl. Turkey	2,219,453	2,627,272
Rest of the world	1,424,991	830,835
Total net sales	**6,098,792**	**6,957,506**

Balance sheet items based on customer agreements are presented in Note 18

4. OTHER OPERATING INCOME

	Parent company, FAS (EUR)	
	2024	2023
Other items	458,607	388,696
Total	**458,607**	**388,696**

The other items include intra-group service charges from the group companies.

5. MATERIALS AND SERVICES

	Parent company, FAS (EUR)	
	2024	2023
Materials and services	3,041,734	2,301,230

Materials and services of the parent company include intra-group license fees in addition to the above-mentioned expenses.

6. EMPLOYEES AND RELATED PARTIES

	Parent company, FAS (EUR)	
	2024	2023
Wages and salaries	2,061,388	3,339,953
Pension expenses - defined contribution plans	393,244	551,973
Other personnel expenses	-35,396	100,200
Total	**2,419,236**	**3,992,126**
Average number of employees during the year (persons)	20	40

Related parties

The Group and the parent company's related parties include members of the parent company's Board of Directors and the Executive Management Team, including the Chief Executive Officer, their spouses, domestic partners, children and dependents, spouses' or domestic partners' children and dependents, as well as entities controlled by any such related party.

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The parent company does not have any loans, commitments or guarantees granted to or received from related parties. The Parent company has not had business transactions with related parties in 2024 and 2023.

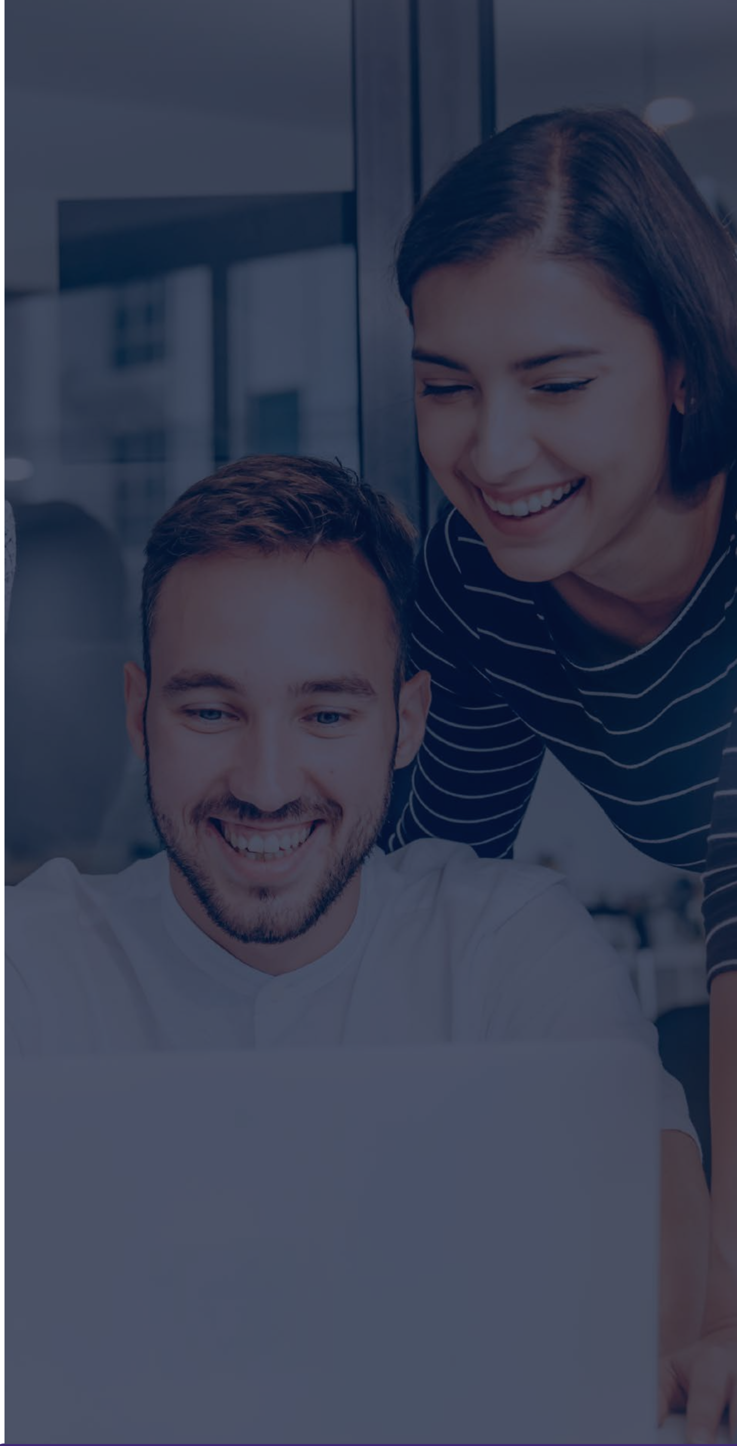
Related parties to the parent company also include subsidiaries in the Group. The list of Group companies is presented in Note 13. Shares in subsidiaries and other entities. Transactions between the parent company and other Group companies, as well as intra-Group receivables, liabilities, commitments, and guarantees are included as total amounts in the notes for the parent company financial statements.

Salaries, bonuses, fringe benefits and change in vacation bonus and bonus accruals for management

The Group has determined management to include members of the Board of Directors and the Executive Management Team, including the Chief Executive Officer.

	Parent company, FAS (EUR)	
	2024	2023
Salaries and other short-term benefits:		
Members of the Board of Directors	120,000	120,000
Chief Executive Officer Jussi Vasama	-	55,937
Chief Executive Officer Heikki Veijola	181,089	162,593
Executive Management Team	1,029,037	1,041,134
Total	**1,330,126**	**1,379,664**

(EUR)	**2024**	2023
Board fees by member:		
Ervi Pertti, Chairman of the Board	45,000	45,000
Heikkonen Matti	-	25,000
Koskela Antti	25,000	25,000
von Schantz Linda	25,000	-
Tapaninen Jukka	25,000	25,000
Total	120,000	120,000



QPR Software Plc's Annual General meeting held on May 15, 2024, resolved that EUR 45,000 annual fee (2023: EUR 45,000) shall be paid for the Chairman of the Board of Directors and EUR 25,000 (2023: EUR 25,000) annual fee shall be paid for the other members of the Board of Directors. Approximately 40 % of the remuneration to the members of the Board of Directors will be paid in the company's shares and 60% in cash, and the shares will be granted as soon as it is possible after the next Annual General Meeting when insider rules allow it. No separate meeting fees are paid.

The Company does not have any exceptional pension arrangements for the CEO. Pension expenses accrued, based on the CEO's salary and bonuses and the Finnish pension legislation, amounted to EUR 31.866 in 2024 (2023: EUR 39.022).

The period of notice for the CEO is four (4) months. Compensation on termination is equivalent to three (3) month's salary. Other members of the Group's Executive Management Team do not enjoy special benefits related to termination of their contract.

7. SHARE BASED PAYMENTS

Option scheme

QPR Software is operating with 2022, 2023 and 2024 stock option plans intending to use these as part of the Group's incentive and commitment program for the key employees. The purpose of the stock options is to encourage the key employees to work on a long-term basis to increase the shareholder value and retain the key employees at the company. The stock options are issued gratuitously.

The subscription period for the previous stock options marked 2019 B was January 1 - January 31, 2024, and no shares were exercised in the scheme.

The number of shares for the stock option plan 2022, subscribed by exercising stock option corresponds to a maximum of 1.9% of the Company's shares and votes after possible share subscriptions, if new shares are issued in the share subscription. As a result of the share subscriptions with stock options, the number of the Company's shares may increase by a maximum of 489,542 shares, if new shares are issued in the share subscription.

The number of shares for the stock option plan 2023, subscribed by exercising stock options corresponds to a maximum of 5.2% of the Company's shares and votes after possible share subscriptions, if new shares are issued in the share subscription. As a result of the share subscriptions with stock options, the number of the Company's shares may increase by a maximum of 1,000,000 shares if new shares are issued in the share subscription.

The number of shares for the stock option plan 2024A, subscribed by exercising stock option corresponds to a maximum of 4.0% of the Company's shares and votes after possible share subscriptions, if new shares are issued in the share subscription. As a result of the share subscriptions with stock options, the number of the Company's shares may increase by a maximum of 720,000 shares.

The amount of 540 000 stock options is marked with the symbol 2024 B and 540 000 with the symbol 2024 C. The share subscription period with the Stock Options 2024 B shall be between September 9, 2028 and September 8, 2030. The share subscription period with the Stock Options 2024 C shall be between September 9, 2029 and September 8, 2031. The theoretical market value of the stock options 2024 B and stock options 2024 C shall be determined at the grant date of the stock options.

The terms and conditions of the stock options 2022, 2023 and 2024 are available on the company's webpage: www.qpr.com.

SHARE-BASED PAYMENT ARRANGEMENTS GRANTED

	2022	2023	2024
Subscription period	15.6.2025 -31.5.2027	6.9.2026 -6.9.2028	10.9.2024 - 9.9.2029
Share subscription price	0.85	0.42	0.59
Stock options outstanding at the end of the period, pcs	489,542	1,000,000	720,000
Estimated expense of share option program, EUR 1,000	88	150	131

8. DEPRECIATION AND AMORTIZATION

	Parent company, FAS (EUR)	
	2024	2023
Intangible assets	70,327	67,975
Tangible assets		
Machinery and equipment	54,986	90,091
Total	**125,312**	**158,066**

No write-downs on assets were booked in 2024 and 2023. .

9. OTHER OPERATING EXPENSES

	Parent company, FAS (EUR)	
(EUR 1,000)	**2024**	2023
Non-statutory indirect employee costs	51,933	66,015
Premises	87,851	169,780
Travel expenses	45,767	14,428
Marketing and other sales promotion	199,911	222,965
Computers and software	258,480	601,099
External services	724,780	573,746
Doubtful receivables and bad debts	-21,474	-4,948
Other expenses	158,485	185,810
Total	**1,505,733**	**1,828,896**

Other expenses include fees paid to the Company's auditor as follows:

Auditing	62,514	67,572
Other services	3,208	2,000
Total	**65,722**	**69,572**

Product development expenses incurred during the year

Expenses recognized in profit or loss	3,000	13,913
Capitalized expenses	-	-
Total	**3,000**	**13,913**

Product development expenses mainly consist of external services and personnel expenses. Recognized expenses do not include amortization.

10. FINANCIAL INCOME AND EXPENSES

Recognized in profit or loss

	Parent company, FAS (EUR)	
	2024	2023
Interest income from loans and other receivables	5,083	655
Impairment losses of holdings in Group companies	-	-83,610
Interest expenses of the financial liabilities measured at amortized cost	-23,413	-88,322
Other financial income and expenses	-90,386	-317,272
Exchange rate differences	-47	19,929
Total	**-108,762**	**-468,620**

Exchange rate differences in profit and loss

Exchange rate differences included in net sales	11,105	-36,867
Exchange rate gains in financial income	9,387	0
Exchange rate losses in financial expenses	3,639	19,929
Total	**24,131**	**-16,938**

Other Financial income and expenses in parent company include right issue costs worth of EUR 93,409 in comparative year.

11. INCOME TAXES

	Parent company, FAS (EUR)	
	2024	2023
Current tax expense	0	0
Tax expense from previous years	0	0

12. DEFERRED TAX ASSETS

The company has not recognized deferred tax assets in 2024. 2023 and 2022, Unrecognized deferred tax assets in the end 2024 were EU 1,088,686.

As of the Financial Statement date December 31, 2024, QPR has estimated if it is probable that the company can utilize the deferred tax assets in future. The evaluation was mainly based on previous results of the financial years. The conclusion drawn based on the evaluation is based on emphasizing objective unfavorable evidence compared to more subjective favorable evidence. The primary factors in this assessment are used more objectively include realized long-term financial performance compared to inherently more subjective expectations of future financial performance in Finland. QPR continues to assess the utilization of deferred tax assets, especially monitoring realized profits, and may reclassify the deferred tax asset related to Finland back to the balance sheet when sufficient tax profitability is achieved. In Finland, deferred tax assets can be offset against profits for the next ten tax years from 2028 to 2033, and those can be utilized against future tax liabilities in Finland

13. INTANGIBLE ASSETS

Parent company (EUR), FAS	Computer software	Other intangible assets	Capitalized product development	Total
Book value Jan 1, 2023	**120,500**	**28,185**	**1,740**	**150,399**
Increases	0	1,657	0	1,657
Decreases				0
Amortization for the financial year	-63,664	-2,571	-1,740	-67,975
Acquisition cost Dec 31, 2023	1,331,427	1,588,783	365,292	3,285,502
Accumulated amortization and write-downs Dec 31, 2023	-1,274,591	-1,561,512	-365,292	-3,201,395
Book value Jan 1, 2024	**56,836**	**27,271**	**0**	**84,107**
Increases	0	0	0	0
Decreases				0
Amortization for the financial year	-55,676	-14,650	0	-70,327
Acquisition cost Dec 31, 2024	1,331,427	1,588,783	365,292	3,285,502
Accumulated	-1,330,268	-1,576,162	-365,292	-3,271,721
amortization and write-downs Dec 31, 2024	1,160	12,620	0	13,781
Book value Dec 31, 2024	**1,160**	**12,620**	**0**	**13,781**

14. TANGIBLE AND RIGHT-OF-USE ASSETS

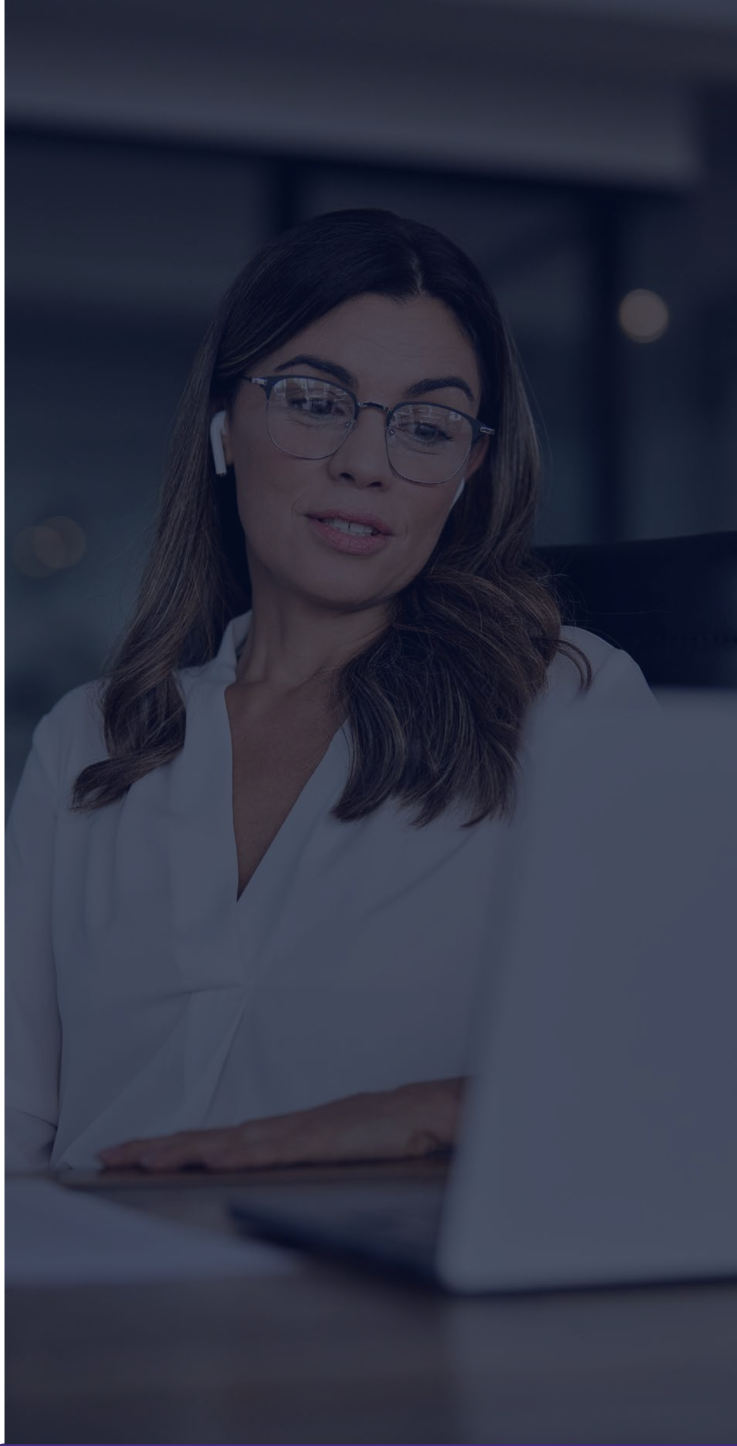
Parent company (EUR), FAS	Machinery and equipment
Book value Jan 1, 2023	**170,866**
Increases	-
Depreciation for the financial year	-90,091
Acquisition cost Dec 31, 2023	2,237,106
Accumulated depreciation and write-downs Dec 31, 2023	-2,156,331
Book value Dec 31, 2023	**80,775**
Book value Jan 1, 2024	**80,775**
Increases	0
Depreciation for the financial year	-60,515
Acquisition cost Dec 31, 2024	2,237,106
Accumulated depreciation and write-downs Dec 31, 2024	-2,216,846
Book value Dec 31, 2024	**20,260**

15. SHARES AND OTHER ENTITIES

The parent company of the Group is QPR Software Plc.

		Parent company	
Subsidiaries	Domicile	**2024**	2023
Owned directly by the parent company:			
QPR CIS Oy	Helsinki, Finland	100 %	100 %
QPR Software AB	Stockholm, Sweden	100 %	100 %
QPR Services Oy	Helsinki, Finland	100 %	100 %
QPR Software Inc.	San Jose, CA, USA	100 %	100 %
QPR Software Limited	London, UK	100 %	100 %

	Parent company (EUR 1,000)	
Shares in subsidiaries	**2024**	2023
Acquisition cost Jan 1	3,497,653	3,581,263
Decreases	-	-83,610
Acquisition cost Dec 31	3,497,653	3,497,653
Book value Dec 31	**3,497,653**	**3,497,653**
Other shares		
Acquisition cost Jan 1	4,562	4,562
Acquisition cost Dec 31	4,562	4,562
Book value Dec 31	**4,562**	**4,562**
Total book value of shares Dec 31	**3,502,215**	**3,502,215**



16. TRADE AND OTHER RECEIVABLES

Parent company, FAS (EUR)	**2024**	2023
Trade receivables	1,840,904	1,179,236
Accrued income and prepaid expenses	180,151	203,191
Income tax receivables	56,527	83,565
Other receivables	807,429	2,006,949
Current receivables from Group companies	2,885,011	3,472,941
Total		

Geographical breakdown of trade receivables:		
Finland	626,171	546,539
Other European countries	552,393	371,457
Countries outside Europe	662,341	261,240
Total	**1,840,904**	**1,179,236**

Fair value of trade receivables:

The initial book value of trade receivables equals fair value because the effect of discounting is not material considering maturity.

Credit losses of EUR 2,466.62 (2023: EUR 280.00) on trade receivables have been recognized in the Group's result.

Breakdown of the parent company's accrued income and prepaid expenses:

	Parent company, FAS (EUR)	
	2024	2023
Accrued income	3,480	33,522
Prepaid expenses	176,671	168,077
Total	**180,151**	**201,599**

Breakdown of the parent company's receivables from Group companies:

	Parent company, FAS (EUR)	
	2024	2023
QPR Services Oy	795,228	2,006,949
QPR CIS Oy	6,210	-
QPR Software Ltd	5,991	-
Total	**807,429**	**2,006,949**

17. CASH AND CASH EQUIVALENTS

	Parent company, FAS (EUR)	
	2024	2023
Bank accounts	799,527	859,814
Total	**799,527**	**859,814**

18. BALANCE SHEET ITEMS RELATED TO CUSTOMER CONTRACTS

	Parent company, FAS (EUR)	
	2024	2023
Trade receivables	1,840,904	1,179,236
Contract assets	3,480	33,522
Contract liabilities	-2,250,457	-2,061,924

Contract assets are items for which performance obligations have already been fulfilled, but the customers have not yet been invoiced. In QPR Software, contract assets are usually related to consulting services, which are invoiced after the performance obligations have been fulfilled.

Contract liabilities, on the contrary, are items which have already been invoiced, but for which performance obligations have not yet been entirely fulfilled. In QPR Software, contract liabilities are usually related to maintenance or SaaS fees, which are invoiced in advance and are recognized as revenue over the duration of the contract period.

19. SHAREHOLDERS' EQUITY

The Company has one series of shares and the maximum value of share capital is EUR 80,000.00. All issued shares have been paid in full.

Other funds

Includes the reserve fund in subsidiary QPR Software AB.

Treasury shares

Includes the purchase price of shares repurchased by the Group

Invested unrestricted equity fund

Invested unrestricted equity fund includes proceedings from right issuance arranged in third quarter 2023. Along the right issuance 1,719,871 new shares were registered. According to Finnish accounting standards, invested unrestricted equity fund is reported into gross value.

Calculation of the distributable funds

	Parent company, FAS (EUR)	
	2024	2023
Retained earnings	-4,205,310	-2,747,372
Result for the financial year	-643,379	-1,402,736
Dividends paid	-	-
Treasury shares	-244,349	-347,552
Invested unrestricted equity fund	5,529,731	5,529,731
Capitalized development expenses	-	-
Distributable funds	**436,693**	**1,032,072**

20. OTHER NON-CURRENT LIABILITIES AND INTEREST-BEARING

Non-current liabilities	Parent company (EUR 1,000)	
	2024	2023
Loans from banks, next year repayment	500,000	1,000,000
Total	**500,000**	**1,000,000**

Current interest-bearing loans	Parent company, FAS (EUR)	
	2024	2023
Loans from banks, next year repayment	500,000	500
Total	**500,000**	**500**

The company has EUR 500,000 of long term and EUR 500,000 of short-term loan from banks. Interest-bearing loans consist of Euribor 12 months and 1.05% interest margin. The loan is repaid in instalments EUR 500,000 on January 31,2025, and January 31,2026.

The parent company has a revolving credit facility of EUR 1.5 million for financing need. The funds were used at the end of 2024 EUR 1.0 million.

Covenants attached to the loan, are based on the company's EBITDA and equity ratio. The EBITDA is tested every six months, and the equity ratio is tested annually according to the situation on the last day of the year. At the covenant test on December 31st, 2024, EBITDA was below the agreed covenant limit. In December 2024, the bank committed to not exercising the right to demand immediately it's receivables based on the financing agreement if the group breaches a possible EBITDA covenant as of the financial statements in December 2024. The company has a credit limit of EUR 500 thousand for liquidity risk management, which was unused at December 31,2024.

Considering the discounted present value of the debt, taking into account its maturity and interest rate, it is EUR 981,120, which is 18 thousand euros lower than the original book value of the debt, which was 1.0 million euros.

21. TRADE PAYABLES AND OTHER LIABILITIES

	Parent company, FAS (EUR)	
	2024	2023
Provisions for liabilities and charges	-	-
Trade payables	342,346	189,566
Accrued expenses and prepaid income	415,139	1,262,222
Advances received	2,185,830	1,530,141
Other liabilities	248,078	309,345
Current liabilities to Group companies	2,512,709	2,096,506
Total	**5,704,102**	**5,387,781**

Breakdown of the parent company's accrued expenses and prepaid income:

	Parent company, FAS (EUR)	
	2024	2023
Holiday pay, including social costs	270,465	415,751
Bonuses, including social costs	30,413	102,645
Prepaid income	565	612,515
Other accrued expenses	113,697	131,311
Total	**415,139**	**1,262,222**

Breakdown of the parent company's liabilities to Group companies:

	Parent company, FAS (EUR)	
	2024	2023
QPR CIS Oy	22,636	23,414
QPR Software AB	1,668,011	1,347,642
QPR Software Inc	822,063	724,532
QPR Software Limited	0	919
Total	**2,512,709**	**2,096,506**

22. COMMITMENTS AND CONTINGENT LIABILITIES

	Parent company, FAS (EUR)	
	2024	2023
Business mortgage	2,337,288	2,337,288
Lease liabilities and rental commitments		
Maturing within one year	72,114	166,310
Maturing during in 1-5 years	253,418	225,616
Maturing over 5 years	172,961	-
Total	**2,835,781**	**2,729,214**

Business mortgages are given as guarantee for Nordea towards revolving credit facility loan value (EUR 1.5 million).

Rental guarantees totaling EUR 969 are included in other current receivables in the balance sheet.

Rental agreements related office and IT equipment as well as car lease agreements

CONFIRMATION OF FINANCIAL STATEMENTS PREPARANCE – ACCOUNTING ACT 3, CHAPTER 7§

We confirm that

- the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and the financial statements of the parent company prepared in accordance with the laws and regulations governing the preparation of financial statements in Finland give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole;

- the management report includes a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face

SIGNATURES OF BOARD OF DIRECTORS' AND FINANCIAL STATEMENTS

Helsinki, Finland, February 14, 2025

QPR Software Plc
Board of Directors

Pertti Ervi
Chairman of the Board

Linda von Schantz
Member of the Board

Antti Koskela
Member of the Board

Jukka Tapaninen
Member of the Board

Heikki Veijola
CEO

AUDITOR'S NOTE

An auditor's report concerning the performed audit has been given today.

Helsinki, Finland, February 14, 2025

KPMG Oy Ab

Authorized Public Accountants

Petri Kettunen

Authorized Public Accountant

Auditor’s Report

To the Annual General Meeting of QPR Software Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of QPR Software Plc (business identity code 0832693-7) for the year ended 31 December 2024. The financial statements comprise the consolidated balance sheet, comprehensive income statement, statement of changes in equity, cash flow statement and notes, including material accounting policy information, as well as the parent company's balance sheet, in-come statement, cash flow statement and notes.

In our opinion

— the consolidated financial statements give a true and fair view of the group's financial position, fi-nancial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU

— the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Board of Directors.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Finan-cial Statements section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland re-garding these services, and we have not provided any prohibited non-audit services referred to in Arti-cle 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been dis-closed in note 9 to the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes considera-tion of whether there was evidence of management bias that represented a risk of material misstate-ment due to fraud.

THE KEY AUDIT MATTER | **HOW THE MATTER WAS ADDRESSED IN THE AUDIT**

Group's financing – Refer to consolidated cash flow statement, accounting principles for the consolidated financial statements and notes 22, 23 and 28 to the consolidated finan-cial statements

— The Group's and the parent company's operations have been loss-making in re-cent years, which has weakened the company's financial status. The Group's loss for the financial year 2024 EUR 0.1 million, decreased by EUR 0.8 million compared to the comparison period.

— Cash flow from operating activities was positive EUR 0.8 million and remained at the level of the comparison year 2023. At 31 December 2024, the company had borrowings under the financing agree-ment amounting to EUR 1.0 million, of which EUR 0.5 million was current. At the end of the financial year, the Group had an unused credit limit totaling EUR 0.5 mil-lion.

— The financing agreement includes cove-nants based on the company's EBITDA and equity ratio. The covenants were ful-filled in accordance with the financing agreement at the reporting date 31 De-cember 2024.

— The development of the company's busi-ness, profitability and financial status is one of the key areas that our audit is fo-cused on.

Our audit procedures included, among others:

— To assess the sufficiency of financing, we analysed the company's financial status as well as the business and cash flow es-timates prepared by management.

— We considered the impact on the compa-ny's financial status of the fulfilment of the covenants in the financing agreement.

— As part of our year-end audit procedures, we assessed the accuracy of classification of financial liabilities and considered the adequacy and appropriateness of the dis-closures provided on the financial status in the consolidated financial statements.

aluation of capitalised product development costs and valuation of goodwill – Refer to accounting principles of the consolidated financial statements and notes 8, 9, 13 and 14 to the consolidated financial

— The Group companies develop software and consulting service products to be used by their customers. The develop-ment expenditures are capitalized to the extent that they meet the capitalization cri-teria set out in the relevant accounting standard (IAS 38) and are assessed to contribute future economic benefits. The assessment may change even in a rather short term, e.g. as a result of technical development.

— The total product development costs capi-talized in the financial year ended amounted to EUR 0.3 million. The capital-ized product development costs are amor-tized over four years on a straight-line ba-sis. At the year-end 2024, the capitalized product development costs amounted to EUR 1.6 million. The capitalized product development costs represent 400 percent of the consolidated equity.

— Goodwill totalled EUR 0.4 million at the financial year-end 2024 and represented 89 percent of the consolidated equity.

— Goodwill and capitalized product devel-opment costs are tested at least annually for impairment.

— The preparation of the cash flow projec-tions underlying the impairment tests re-quires management judgement in regard to e.g. sales growth, profitability, terminal growth and discount rates.

— Due to the significant carrying amounts and management judgment involved in determining recoverable amounts and useful life, the valuation of capitalized product development costs and goodwill is one of the key areas that our audit is fo-cused on.

Our audit procedures included, among oth-ers:

— We assessed the appropriateness of the capitalization process and the amortiza-tion periods of development expenditures and considered whether the development costs capitalized during the year had met the capitalization criteria under the rele-vant accounting standard.

— We assessed the appropriateness of the impairment test carried out for the good-will in the consolidated financial state-ments.

— Our audit procedures on the impairment testing included, among others, the fol-lowing: We evaluated the cash flow esti-mates for future financial periods pre-pared by management and the key as-sumptions used in the impairment tests, such as sales growth, profitability and terminal growth.

— Furthermore, we considered the adequa-cy and appropriateness of the Group's notes in respect of goodwill, testing calcu-lations and intangible assets.

Revenue recognition and valuation of trade receivables – Refer to accounting principles for the consolidated financial statements and notes 2, 3 and 18 to the consolidated finan-cial statements

— The consolidated net sales consist of software license sales, software mainte-nance services, cloud (SaaS) services and consulting services. Revenue is recog-nized when (or as) the control of the ser-vice is transferred to the customer, which may be over time or at a point in time.

— Application of revenue recognition princi-ples requires management judgement es-pecially in identifying separate perfor-mance obligations, determining stand-alone selling price as well as in analysing terms and conditions of the contract to de-termine the appropriate timing to recog-nize revenue.

— The revenue recognition principles and their consistent application have a signifi-cant impact on the net sales and profita-bility as reported by QPR Software Plc. Therefore, revenue recognition is one of the key areas that our audit is focused on.

— Trade receivables were in total EUR 2.0 million on 31 December 2024, represent-ing a significant part of the balance sheet. Regardless the fact that there is no signif-icant credit losses incurred in the past, there may be valuation risk associated with trade receivables. Due to the signifi-cance of the carrying amount of the trade receivables, the valuation and monitoring of trade receivables is one of the key are-as that our audit is focused on.

Our audit procedures included, among others:

— We evaluated the revenue recognition principles by reference to applicable financial reporting standards and contract terms.

— Our audit procedures included testing of key controls designed to ensure the completeness and accuracy of net sales.

— We completed detailed audit procedures over revenue contracts that we selected based on size, timing and complexity. In respect of the selected contracts, we assessed the identification of performance obligations, tested the accuracy of invoicing and compared revenue transactions recorded with contractual terms and traced them to supporting evidence of delivery.

— We evaluated the monitoring routines for trade receivables and the effectiveness of the key internal controls. We also analyzed the trade receivables and followed up the payments received after year-end 20243 in respect of selected trade receivables.

— In addition, we assessed the adequacy and accuracy of disclosures related to revenue recognition and trade receivables in the consolidated financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with stat-utory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an inten-tion to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstate-ment when it exists. Misstatements can arise from fraud or error and are considered material if, individu-ally or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit ev-idence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detect-ing a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit proce-dures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a ma-terial uncertainty exists related to events or conditions that may cast significant doubt on the par-ent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclo-sures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

— sPlan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in in-ternal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation pre-cludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Requirements

Information on our audit engagement

We were first appointed as auditors by the Annual General Meeting 2006, and our appointment repre-sents a total period of uninterrupted engagement of 19 years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements or our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other infor-mation identified above and, in doing so, consider whether the other information is materially incon-sistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the ap-plicable provisions.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 14 February 2025

KPMG OY AB

PETRI KETTUNEN

Authorised Public Accountant, KHT

INFORMATION FOR SHAREHOLDERS
THE SHARE OF QPR SOFTWARE PLC

QPR SOFTWARE PLC SHARES

The share of QPR Software Plc is quoted on the main list of the Nasdaq Helsinki, in the Information technology sector, Small Cap segment. Trading started on March 8, 2002.

Trading code

QPR1V
ISIN code
FI0009008668

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on June 18th, 2025.

The Board of Directors convenes the Annual General Meeting, with a separate announcement of the General Meeting.

CHANGES OF ADDRESSES

If the address of a shareholder changes, we request you contact the custodian bank holding the shareholder's book-entry account.

FINANCIAL INFORMATION IN 2025

In 2025, QPR Software Plc will publish three interim reports as follows:

- Interim Report for January–March 2025 on Thursday, April 24, 2025
- Half-year Financial Report for January–June 2025 on Friday, July 18, 2025
- Interim Report for January–September 2025 on Friday, October 31, 2025

The interim reports and all stock exchange releases of QPR Software Plc are available on the Investor section of the company's website (www.qpr.com/investors).

CONTACT INFORMATION

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