

QPR Software

Financial year 2014

Annual General Meeting, 12 March, 2015

Jari Jaakkola, Chief Executive Officer

Financial year 2014

Challenging business environment.

Accelerating net sales growth.

Operating profit almost doubled.

Development in 2014



The economic growth was weak in most markets. On the other hand, the downturn in economy initiated operational development projects in several organizations.

QPR's market position was strengthened, thanks to its broadened offering.



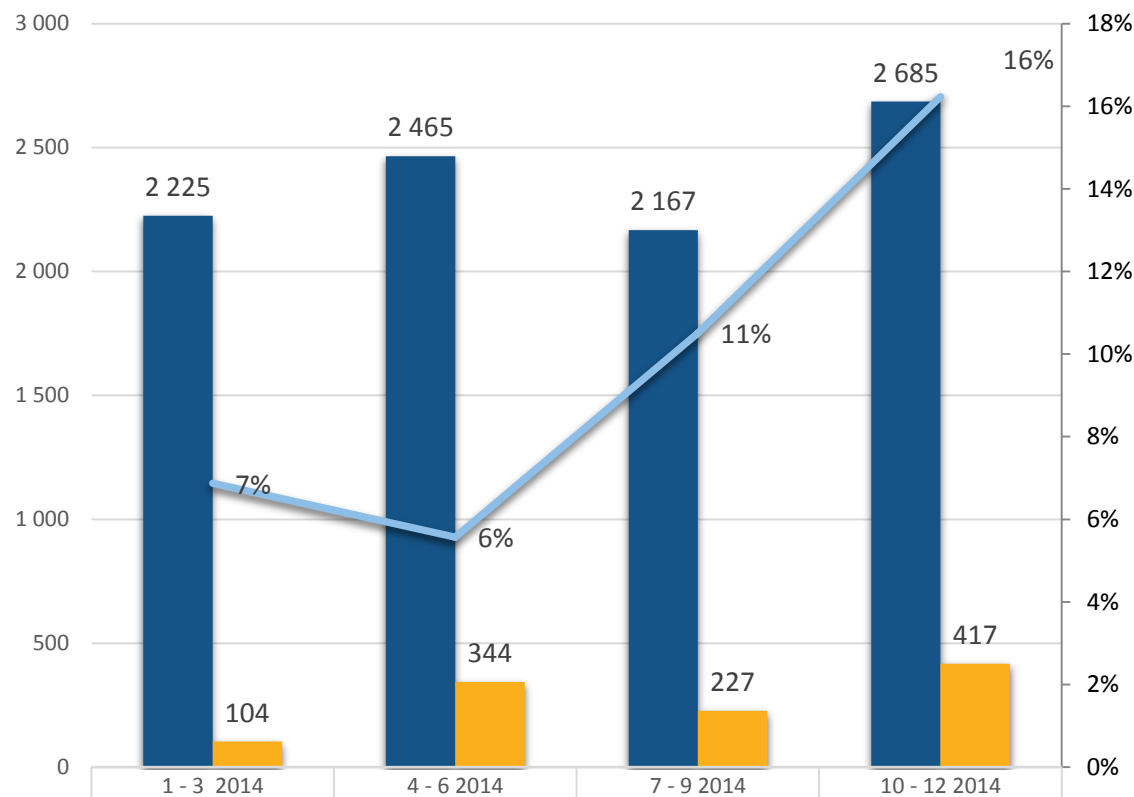
Net sales growth accelerated towards the end of the year. Growth was derived both from direct and reseller businesses.

Net sales grew 10% and operating margin increased to 11.5% of net sales

- Net sales EUR 9,541 thousand (8,688)
- Operating profit EUR 1,095 (578)
- Net profit (after taxes) for the period 890 thousand (521)



Consolidated net sales and operating profit per Quarter, EUR 1 000 and %



■ Net sales	2 225	2 465	2 167	2 685
■ Operating profit	104	344	227	417
— Net sales increase compared to previous year, %	7%	6%	11%	16%

Consolidated Income Statement

(EUR 1,000)	2014	2013
Net sales	9 541	8 688
Other operating income	26	32
Materials and services	337	292
Employee benefit expenses	6 092	5 703
Depreciation and amortization	761	707
Other operating expenses	1 281	1 439
Total expenses	8 471	8 141
Operating profit	1 095	578
Financial income	23	11
Financial expenses	-53	-36
Financial items, net	-30	-25
Profit before tax	1 065	554
Income taxes	-175	-33
Profit for the year	890	521
Earnings per share, EUR	0,074	0,043

Consolidated Balance Sheet – Assets

(EUR 1,000)	2014 [†]	2013
ASSETS		
Non-current assets		
Capitalized product development expenses	1 374	1 087
Other intangible assets	440	541
Goodwill	513	513
Tangible assets	175	207
Other investments	5	5
Long-term receivables	0	49
Deferred tax assets	22	29
Total non-current assets	2 529	2 431
Current assets		
Trade and other receivables	4 572	4 365
Cash and cash equivalents	1 426	1 365
Total current assets	5 998	5 730
Total assets	8 527	8 161

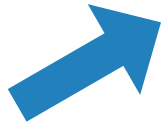
Consolidated Balance Sheet – Equity and Liabilities

(EUR 1,000)	2014 [▼]	2013
EQUITY AND LIABILITIES		
Equity		
Share capital	1 359	1 359
Other funds	21	21
Treasury shares	-439	-395
Translation difference	-221	-181
Invested non-restricted equity fund	5	5
Retained earnings	2 471	2 061
Equity attributable to shareholders of the parent company	3 196	2 871
Non-current liabilities		
Deferred tax liabilities	25	42
Total non-current liabilities	25	42
Current liabilities		
Trade and other payables	5 306	5 136
Interest-bearing liabilities	0	113
Total current liabilities	5 306	5 248
Total liabilities	5 331	5 290
Total equity and liabilities	8 527	8 161

Targets and strategy

Growth from new software products and expanding consulting business

Value proposition, offering and benefits



QPR Software's mission is to make customers agile and efficient in their operations.



Our value proposition is as follows: We provide insight to our customers' business operations – through modeling, analyzing, measuring and performance monitoring.



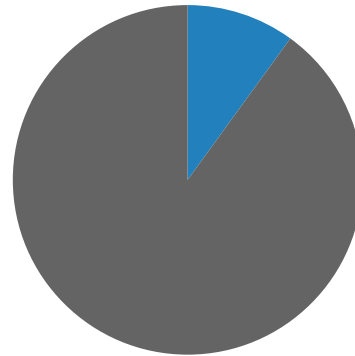
This insight enables customer organizations to streamline and improve business operations and to execute their strategies swiftly and effectively.



Business highlights in 2009 - 2014



Net sales **increased by 44%**. Recurring revenue growth **50%**.



Operating profit level averaged at approx. **10%** of net sales

Annual effective **dividend yield approx. 4%**. Furthermore, **two** distributions of assets to shareholders.

QPR SUITE 2014

Strong cashflow from operations, derived from established software products: QPR Metrics and QPR ProcessDesigner. **In average 17% of net sales.**

Business highlights in 2009 - 2014

2

Significant investments into new, growing software products.

Two new software products launched

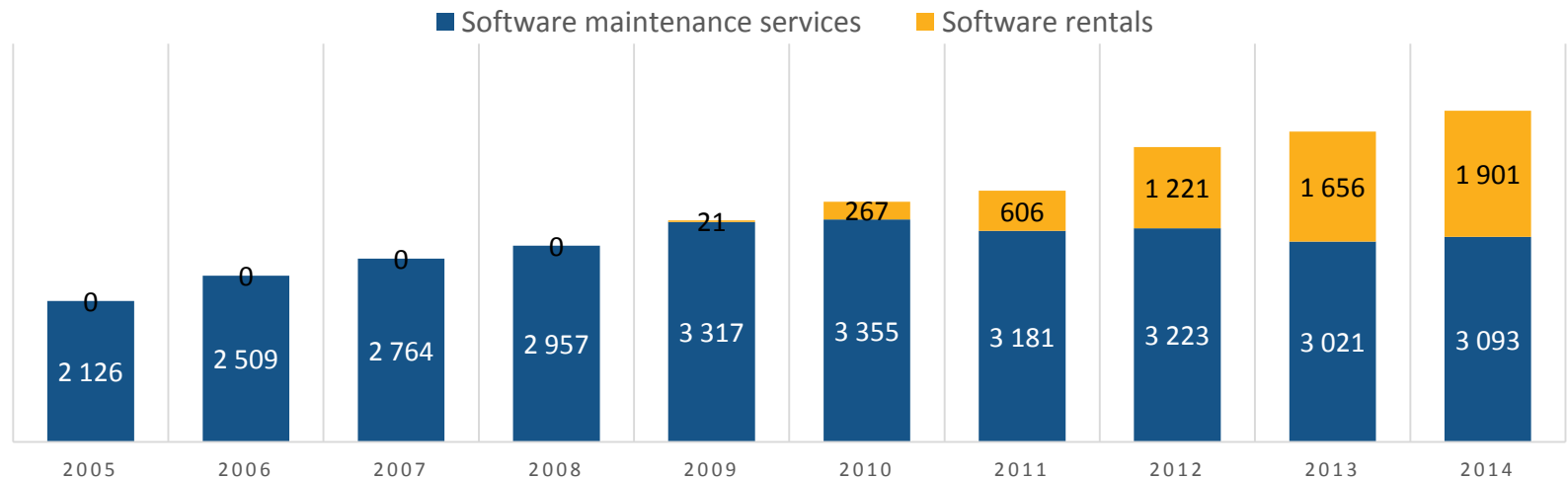
- QPR EnterpriseArchitecture
- QPR ProcessAnalyzer



Expanding consulting business in home market. Highly synergistic with new software products developed by QPR.

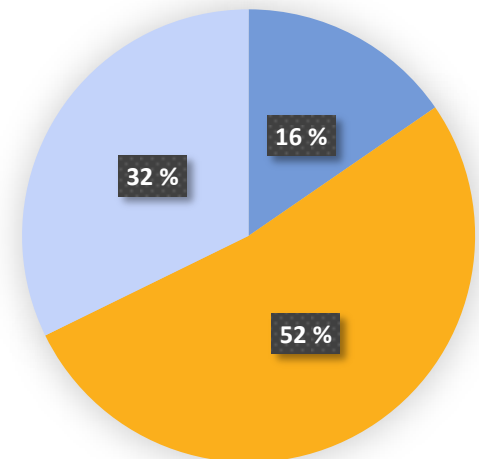
Recurring revenue – a solid foundation for growth

Recurring revenue (software rentals and maintenance services), EUR 1,000



Recurring revenue was 52 % of Group net sales in 2014. In 2015, increasing focus on software license new sales.

- Software licenses
- Software rentals and maintenance services
- Professional services



Mid-term targets

2015 - 2017
+15%

Mid-term annual growth target set at 15%, through organic and profitable growth.

Sources for growth

- ▶ The main sources for targeted growth are:
 - 1) International software business through reseller channel expansion
 - 2) Consulting business in Finland through account and service portfolio expansion
- ▶ Outlook for 2015
 - The Company estimates its net sales and operating profit in euros to increase in 2015, compared to 2014.



QPR Software

We provide insight to your business operations.

Some of our customers



Some of our customers (cntd)

