



ANNUAL GENERAL MEETING, 28 MARCH 2017

QPR Software

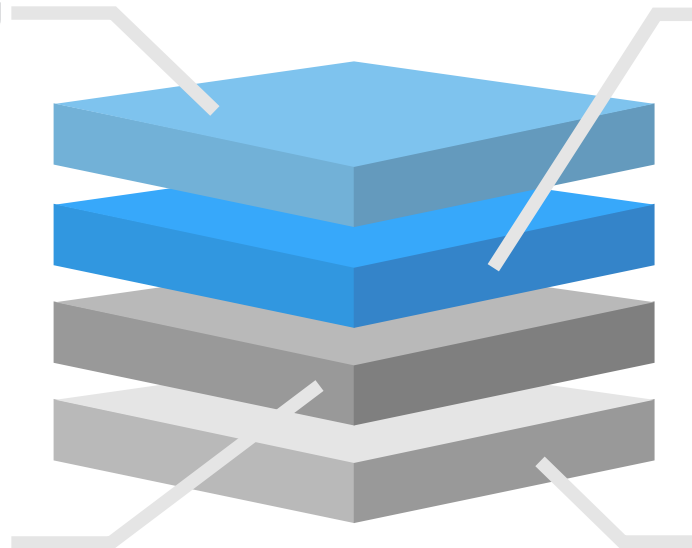
JARI JAAKKOLA, CHIEF EXECUTIVE OFFICER

Stock Symbol: QPR1V: (Nasdaq Helsinki)

In 2016, we proceeded in the growing **process mining** market

Net sales EUR 8,634 thousand (2015: 9,436). Process mining net sales increased significantly.

International software net sales increased.
Consulting net sales in Finland decreased.



Operating profit doubled to EUR 761 thousand (368), operating profit 8.8% of net sales (3.9). The increase was due to significantly decreased expenses.

At the end of 2016, we started to increase our investments in product development. In the first part of this year, we strengthen especially our marketing and delivery resources.

Consolidated Income Statement

(EUR 1,000)	Note	2016	2015
Net sales	3	8 634	9 436
Other operating income	4	18	1
Materials and services	6	419	558
Employee benefit expenses	7	5 362	6 477
Depreciation and amortization	8	866	822
Other operating expenses	9	1243	1211
Total expenses		7 891	9 069
Operating profit		761	368
Financial income	10	-4	26
Financial expenses	10	-47	-47
Financial items, net		-51	-21
Profit before tax		710	347
Income taxes	12	-142	-9
Profit for the year		568	338
Other items in comprehensive income that may be reclassified subsequently to profit or loss:			
Other items in comprehensive income, net of tax		9	-21
Total comprehensive income		577	317
Earnings per share, EUR			
Undiluted, euros	13	0,047	0,028
Diluted, euros	13	0,047	0,028

Consolidated Balance Sheet

Assets

(EUR 1,000)	Note	2016	2015
ASSETS			
Non-current assets			
Capitalized product development expenses	14	1 747	1 695
Other intangible assets	14	208	347
Goodwill	15	513	513
Tangible assets	16	193	274
Other investments		5	5
Deferred tax assets	19	23	23
Total non-current assets		2 688	2 856
Current assets			
Trade and other receivables	20	4 619	4 592
Cash and cash equivalents	21	565	585
Total current assets		5 184	5 177
Total assets		7 871	8 033

Consolidated Balance Sheet

Equity and Liabilities

(EUR 1,000)	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital	22	1 359	1 359
Other funds		21	21
Treasury shares		-439	-439
Translation difference		-233	-242
Invested non-restricted equity fund		5	5
Retained earnings		2 538	2 210
Equity attributable to shareholders of the parent company		3 251	2 914
Non-current liabilities			
Deferred tax liabilities	19	0	9
Total non-current liabilities		0	9
Current liabilities			
Trade and other payables	24	4 619	4 609
Interest-bearing liabilities	23	-	500
Total current liabilities		4 619	5 109
Total liabilities		4 619	5 119
Total equity and liabilities		7 871	8 033

Strategy and Outlook

Our strategy



We innovate, develop and sell software aimed at analyzing, monitoring and modeling operations in organizations. Furthermore, we offer customers a variety of related services.



We focus our product development especially to meet with the challenges organizations face in leading and developing their operations in digitalizing world.



We accelerate product development by increasing our resources in a controlled manner and allocating them especially to process mining. Our target is to gain a significant share of this growing market.



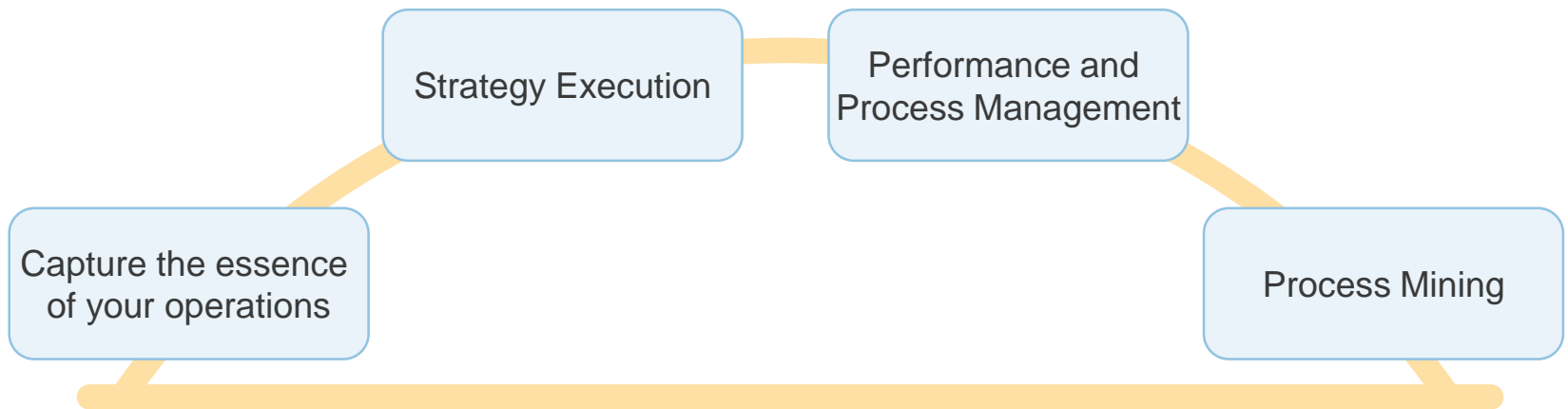
In software development, special focus is placed on excellent user experience.



In the next few years, we seek to grow especially our international software sales.

Our offering

- > QPR Software provides solutions for strategy execution, performance and process management, process mining and enterprise architecture. We help customers to gain valuable insights for informed decisions that make a difference.



QPR ProcessDesigner
Improve business processes



QPR EnterpriseArchitect
Model all dimensions and layers of Enterprise Architecture



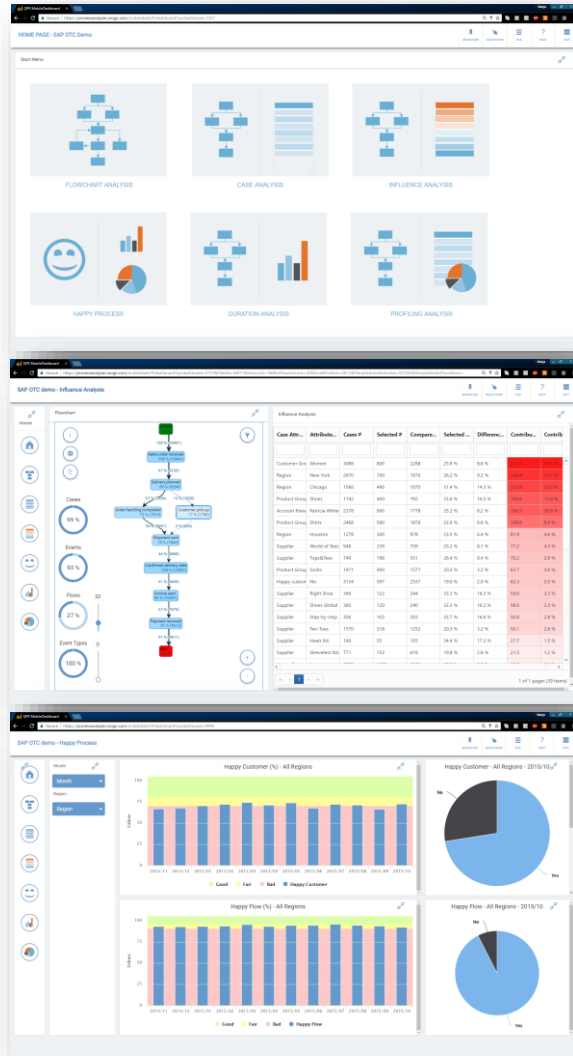
QPR Metrics
Meet your targets



QPR ProcessAnalyzer
Turn your data to process intelligence

Our growth business: QPR ProcessAnalyzer

The future of process mining is here



➤ See. Analyze. Improve. Repeat.

- Use source systems' event data to drive fact-based decision making in process improvement

➤ Process mining analysis

- Identify the critical 20% of business that causes 80% of problems

➤ Stay informed

- Learn about bottlenecks, minimize costs, improve efficiency through data-driven analysis

Application areas for process mining



Process Improvement



IT



Lean Quality



Internal Audit

WHAT

- Supply Chain
- Procure to Pay
- Customer Care

- Reduced ERP complexity through harmonized processes

- Reduced process waste for efficiency

- Process compliance

RESULTS

- Reduced lead times
- Reduced working capital costs
- Improved invoicing
- Improved customer satisfaction

- IT development and support costs under control

- Reduced operating costs

- Minimized risks
- Efficient audit work

Outlook 2017

Outlook 2017

Business outlook

- > We will continue to invest in sales activities for our process mining software and the related services.
- > The tightened competition in the software business for process and enterprise architecture modeling and performance management is expected to have a negative impact on sales in parts of our reseller channel.
- > Our process and enterprise architecture modeling business in Finland focuses especially on expanding and growing our key accounts.

Financial outlook

- > We estimate our net sales to grow in 2017.
- > We estimate our process mining net sales to grow significantly.
- > Operating profit will remain slightly lower than previous year due to growth investments.
 - The planned increase in costs is mainly related to accelerating software development and investments in international business.



Dare to improve.

- > **Founded**
1991
- > **Corporate headquarters**
Helsinki, Finland
- > **Stock symbol**
QPR1V: Nasdaq Helsinki
- > **Sold licenses**
>1 million worldwide
- > **Customers**
2000+
- > **Industry recognitions**
Gartner, Ventana Research, Palladium,
Forrester Research
- > **Products**
QPR Metrics
QPR ProcessDesigner
QPR ProcessAnalyzer
QPR EnterpriseArchitect