



QPR SOFTWARE PLC

**FINANCIAL STATEMENT BULLETIN
JANUARY-DECEMBER 2024**

QPR Software Plc's Financial Statement Bulletin: January–December 2024

QPR SOFTWARE PLC STOCK EXCHANGE RELEASE 14 February 2025, AT 9.00 AM EET

QPR Software Plc's Financial Statement Bulletin 2024: SaaS revenue grew by 15%, and software business by 14%. Profit improved compared to the previous year, and EBITDA strengthened significantly, rising to 15% of net sales. The North American market entry progressed as planned.

FINANCIAL DEVELOPMENT BRIEFLY

OCTOBER-DECEMBER 2024

- SaaS net sales increased by +14%
- Software net sales increased by 44%
- Net sales were 1,963 thousand euros, up 23% (1,599) especially due to license deals in the Middle East.
- EBITDA was 275 thousand euros (-30), +305 thousand euros change compared to the corresponding period.
- The operating profit was 23 thousand euros (-283), +306 thousand euros change compared to the corresponding period.
- Profit before taxes was 4 thousand euros (-307), +311 thousand euros change compared to the corresponding period.
- The result was 26 thousand euros (-307), +334 thousand euros change compared to the corresponding period.
- Earnings per share was 0.001 euros (-0.017)
- Cash flow from operations 1,031 thousand euros (829), +202 thousand euros change compared to the corresponding period.

JANUARY-DECEMBER 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
- 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.

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.

CEO REVIEW

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

CEO

KEY FIGURES

EUR in thousands, unless otherwise indicated	Oct- Dec, 2024	Oct- Dec, 2023	Change, %	Jan- Dec, 2024	Jan- Dec, 2023	Change, %
Net sales	1 963	1 599	23	6 614	7 550	-12
EBITDA	275	-30	1 020	1 020	182	459
% of net sales	14,0	-1,9		15,4	2,4	
Operating result	23	-283	108	-16	-813	98
% of net sales	1,2	-17,7		-0,2	-10,8	
Result before tax	4	-307	101	-103	-924	89
Result for the period	26	-307	108	-82	-924	91
% of net sales	1,3	-19,2		-1,2	-12,2	
Earnings per share, EUR (basic and diluted)	0,001	-0,017	108	-0,005	-0,055	91
Equity per share, EUR	0,022	0,019	16	0,022	0,020	15
Cash flow from operating activities	1 031	830	24	806	849	5
Cash and cash equivalents	825	884	-8	825	884	-7
Net borrowings	577	934	-38	577	934	-38
Gearing, %	143,9	268,3	-46	143,9	268,3	-46
Equity ratio, %	11,9	8,1	47	11,9	8,1	47
Return on equity, %	20,9	-249,7	108	-21,8	-221,5	90
Return on investment, %	0,16	-57,6	100	-14,3	-42,0	66

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 DEVELOPMENT

NET SALES BY PRODUCT GROUP

EUR in thousands	Oct-Dec, 2024	Oct-Dec, 2023	Change, %	Jan-Dec, 2024	Jan-Dec, 2023	Change, %
Software licenses	520	103	405	926	485	91
Renewable software licenses	86	51	68	420	504	-17
Software maintenance services	449	448	0	1 717	1 720	0
SaaS	701	617	14	2 721	2 371	15
Consulting	207	380	-46	830	2 469	-66
Total	1 963	1 599	23	6 614	7 550	-12

NET SALES BY GEOGRAPHIC AREA

EUR in thousands	Oct-Dec, 2024	Oct-Dec, 2023	Change, %	Jan-Dec, 2024	Jan-Dec, 2023	Change, %
Finland	697	700	0	2 579	3 499	-26
Europe incl. Turkey	631	723	-13	2 656	3 128	-15
Rest of the world	635	176	261	1 379	923	49
Total	1 963	1 599	23	6 614	7 550	-12

OCTOBER-DECEMBER 2024

The net sales for October to December was 1,963 thousand euros (1,599), and it increased by 23% compared to the same period last year. Growth was primarily driven by successful license sales in the Middle East during the final quarter of the year. As a result, the share of recurring revenue in total net sales declined from 67 percent to 63 percent.

SaaS net sales, which are at the core of our strategy, grew by 14%, and software net sales increased by 44% during October-December.

Software license net sales totaled 520 thousand euros (103), reflecting a 407% increase. This significant growth was primarily driven by a few larger individual new license deals in the Middle East during the reporting period. Additionally, net sales was generated from partner-driven upselling to both existing and new customers, upselling to direct existing customers, and the expansion of our partner network, which brought in new clients.

The net sales from renewable software licenses was 86 thousand euros (51), reflecting a 67% increase. The growth was primarily driven by an earlier renewal timing of license periods, which partially offset the net sales decline caused by the expiration of individual customer contracts.

The net sales from software maintenance services amounted to 449 thousand euros (448). Growth was positively impacted by Middle Eastern customers transitioning to the software maintenance model, as well as increased maintenance revenue driven by new customer acquisitions for licenses.

Additionally, price adjustments made to counter inflation and favorable exchange rate fluctuations contributed to net sales growth. However, this growth was partially offset by customer churn and a decline in revenue from individual customers.

SaaS net sales grew by 14%, reaching 701 thousand euros (617). The growth was primarily driven by new customer acquisitions, the expansion of existing customer relationships, and price increases made to counter inflation. On the other hand, customer churn and a decline in revenue from individual customers had a negative impact on the overall SaaS revenue development.

Net sales from consulting totaled 207 thousand euros (380), representing a 46% decline following the company's decision to discontinue non-core consulting services in Finland. In the comparison period, the company had a large customer project in Europe, but no similar project was present during this reporting period.

The Group's net sales was 36 % (44) from Finland, 32% (39) from the rest of Europe (including Turkey) and 32 % (17) from the rest of the world.

JANUARY-DECEMBER 2024

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.

FINANCIAL DEVELOPMENT

OCTOBER-DECEMBER 2024

The group's EBITDA for October-December was 275 thousand euros (-31), an improvement of 305 thousand euros compared to the previous year. The operating profit was 23 thousand euros (-283), an increase of 306 thousand euros compared to the reference period. The season's result was 26 thousand euros (-307).

The active measures taken by the company in 2023 to improve cost structure and business profitability were partially reflected in the first half of 2024 and fully realized in the second half of the year.

The Group's variable costs amounted to 333 thousand euros (229). The increase in costs was primarily due to higher partner commissions, driven by significant license deals won in the Middle East.

The company's fixed expenses amounted to 1,487 thousand euros (1,401), representing a 6% increase compared to the previous year. The increase was primarily due to the reallocation of Business Finland funding, which was moved from other business expenses to other operating income. Without this reclassification, the company's fixed costs would have been 1,355 thousand euros, lower than in the comparison period. Personnel costs declined mainly as a result of workforce reductions implemented following change negotiations. The full impact of these cost-saving measures on personnel expenses materialized from the third quarter of 2024 onward. Other business expenses increased compared to the previous year, primarily due to expanded marketing and sales activities in North America and the Middle East. Additionally, the impact of cost-saving measures was partially offset by lower capitalized R&D expenses.

Earnings per share were -0.001 euros (-0.017) per share.

JANUARY-DECEMBER 2024

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.

SHARES AND SHAREHOLDER

	Jan-Dec, 2024	Jan-Dec, 2023	Change, %
Trading of shares			

Shares traded, pcs	3 842 304	3 538 455	9
Volume, EUR	1 964 351	1 585 931	24
% of shares	21,4	19,8	8
Average trading price, EUR	0,51	0,45	14
Average trading value per day, EUR	7 857	6 318	24
Treasury shares acquired during the year, pcs	0	0	0
			<i>Change,</i>
Shares and market capitalization	Dec 31, 2024	Dec 31, 2023	%
Total number of shares, pcs	18 175 192	18 175 192	0
Treasury shares, pcs	256 849	339 471	-24
Book counter value, EUR	0,11	0,11	-
Outstanding shares, pcs	17 918 343	17 835 721	0
Number of shareholders	2 174	1 943	12
Closing price, EUR	0,81	0,33	143
Market capitalization, EUR	14 513 858	5 957 131	144
Book counter value of all treasury shares, EUR	28 253	37 342	-24
Total purchase value of all treasury shares, EUR	244 349	347 552	-30
Treasury shares, % of all shares	1,4	1,9	-26

GOVERNANCE

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.

SHORT-TERM RISKS AND UNCERTAINTIES

Internal control and risk management at QPR Software aim to ensure that the Company operates efficiently and effectively, distributes reliable information, complies with regulations and operational principles, reaches its strategic goals, reacts to changes in the market and operational environment, and that business continuity is secured considering the financial position.

The Company has identified the following three groups of risks related to its operations: risks related to business operations (country, customer, personnel, legal), risks related to information and products (QPR products, IPR, data privacy, and security), and risks related to financing and liquidity (foreign currency, short-term cash flow).

The Company has an insurance policy covering property, operational, and liability risks. Financial risks include reasonable credit risk concerning individual business partners, which is characteristic of any international business. QPR seeks to limit this credit risk by continuously monitoring standard payment terms, receivables, and credit limits.

At the end of the reporting period, 80% (78) of the Group's trade receivables were denominated in euros. The company had no foreign currency-denominated trade receivables hedged at the end of the quarter.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Changes in Company Management

On January 10, 2024, QPR Software announced the appointment of Mika Maliniemi as Chief Operating Officer (COO) and a member of the Executive Management Team. Maliniemi is responsible for QPR's software development, cloud service development and operations, and customer support services. The COO role is new and part of the company's strategic refinement and organizational restructuring, which was announced on December 14, 2023.

Additionally, on June 18, 2024, the company announced the appointment of Antti Kivalo as its new Sales Director.

Later, on July 11, 2024, the company announced that CFO Mervi Kerkelä-Hiltunen would be leaving the company. Taru Mäkinen was appointed as the new Chief Financial Officer (CFO) on July 22, 2024.

First Partnership Agreements in North America and Business Finland Support for Market Research

On April 16, 2024, QPR Software announced its first partnership agreements with Solution BI, Accelance, and TranSigma Consulting as part of its strategic expansion into the North American market. These agreements enable the resale of QPR ProcessAnalyzer in the United States, as well as in Canada and Mexico through Solution BI.

Additionally, the company received a positive funding decision from Business Finland for its Market Explorer grant, which supports market research and the exploration of business opportunities in North America.

Board of Directors Announces a New Stock Option Program

On September 9, 2024, QPR Software announced that its Board of Directors has decided, based on the authorization granted by the Annual General Meeting on May 15, 2024, to launch a new stock option program. The program allows key personnel of the company and its subsidiaries to receive stock options entitling them to subscribe for shares in the company.

A total of up to 1,800,000 stock options will be issued, granting holders the right to subscribe for up to 1,800,000 new or existing shares held by the company. The Board of Directors will decide

whether the shares issued under the program will be new shares or shares held by the company. The stock options will be granted without consideration.

The terms and conditions of the stock option program are available on the company's website: <https://www.qpr.com/company/investors>

QPR ProcessAnalyzer Now Available as an Application on Snowflake Marketplace

On November 2, 2024, QPR Software announced the launch of its innovative process mining software, QPR ProcessAnalyzer, on Snowflake Marketplace. This solution introduces a completely new way for businesses to adopt process mining quickly and cost-effectively, eliminating lengthy and complex procurement and implementation processes.

The application runs entirely within the customer's own Snowflake cloud environment, providing real-time analytics, strong data security, and scalability to meet evolving business needs.

By offering seamless and barrier-free access to process mining, Snowflake Marketplace enables businesses to accelerate process improvements and achieve cost savings. This significant milestone further strengthens QPR's position as a leader in process mining and unlocks new opportunities in international markets.

Leading U.S. Financial Company Selects QPR ProcessAnalyzer

On December 3, 2024, QPR Software announced that a leading U.S. financial services company has selected QPR ProcessAnalyzer as its process mining solution.

This agreement reinforces QPR's position in the North American market, a key focus area in the company's growth strategy, and was secured through close collaboration with QPR's U.S. partner, Cognito Analytics.

This new customer marks a significant milestone in QPR's international expansion, further solidifying its position as a pioneer in process mining.

QPR Strengthened Its Position in the Middle East in 2024

In 2024, QPR reinforced its position in the Middle East by securing multiple new customer agreements across various industries. Companies and organizations in the region adopted QPR ProcessAnalyzer to analyze and optimize their business processes and QPR Metrics to monitor performance and execute their strategic initiatives.

These agreements were established through close collaboration with local partners and further solidify QPR's growing presence in the Middle Eastern market, where digitalization and process optimization play a key role in the region's economic and development programs.

EVENTS AFTER THE REVIEW PERIOD

No events after the review period.

FINANCIAL REPORTING

QPR will publish three Interim Reports in 2025:

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

QPR Software's financial statement bulletin, activity report, audit report, and report on the corporate governance system for the financial year 2024 will be published on Friday, February 14, 2025.

QPR's Annual Report 2024 will be published on Thursday, April 3, 2025.

QPR's Annual General Meeting 2025 is scheduled to be held on Wednesday 18 June 2025. The Board of Directors convenes the Annual General Meeting with an invitation to be announced later.

QPR SOFTWARE PLC

BOARD OF DIRECTORS

For further information:

Heikki Veijola

Chief Executive Officer

QPR Software Plc

Tel. +358 40 922 6029

QPR Software in Brief

QPR Software (Nasdaq Helsinki) is a leading player in the Digital Twin of an Organization (DTO) use case and one of the most advanced process mining software companies in the world. The company innovates, develops, and delivers software for analyzing, monitoring, and modeling organizational operations. Additionally, QPR provides consulting services to ensure its customers derive full benefits from the software and associated methodologies.

www.qpr.com

DISTRIBUTION

Nasdaq Helsinki

Key medias

www.qpr.com

FINANCIAL BULLETIN JANUARY-DECEMBER 2024

QPR Software's Board of Directors has approved this financial bulletin for January 1 – December 31, 2024, to be published.

The full-year financial figures for 2024 presented in the numerical section of this release have been audited, while the interim report figures are unaudited.

FINANCIAL STATEMENT INFORMATION

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

EUR in thousands, unless otherwise indicated	Oct- Dec, 2024	Oct- Dec, 2023	Change, %	Jan- Dec, 2024	Jan- Dec, 2023	Change, %
Net sales	1 963	1 599	23	6 614	7 550	-12
Other operating income	132	1	13 100	132	1	26 313
Materials and services*	333	229	46	1 026	1 241	-17
Employee benefit expenses	967	1 202	-20	3 467	5 287	-34
Other operating expenses*	520	199	161	1 234	840	47
EBITDA	275	-30	1 020	1 020	182	459
Depreciation and amortization	252	252	0	1 036	995	4
Operating result	23	-283	108	-16	-813	98
Financial income and expenses	-19	-24	23	-87	-111	22
Provisions	0	0	-	0	0	-
Result before tax	4	-307	101	-103	-924	89
Income taxes	21	0	-	21	0	-
Result for the period	26	-307	108	-82	-924	91
Profit for the period attributable:						
To Shareholders of the Parent Company	26	-307		-82	-924	
Total	26	-307		-82	-924	

Earnings per share, EUR (basic and diluted)	0,001	-0,017	108	-0,005	-0,055	91
Consolidated statement of comprehensive income:						
Result for the period	26	-307	108	-82	-924	91
Exchange differences on translating foreign operations	0	0	-	-2	-1	-130
Total comprehensive income	26	-307	108	-84	-925	90

* Starting from the fiscal year 2024, the company has reported cloud platform production costs under the materials and services expense category. The comparative period figures are presented both as reported and in accordance with the 2024 cost classification.

CONDENSED CONSOLIDATED BALANCE SHEET

EUR in thousands	Dec 31, 2024	Dec 31, 2023	Change, %
Assets			
Non-current assets:			
Intangible assets	1 641	2 245	-27
Goodwill	358	358	0
Tangible assets	20	81	-75
Right-of-use assets	377	318	19
Other non-current assets	329	277	19
Total non-current assets	2 726	3 279	-17
Current assets:			
Trade and other receivables	2 355	1 706	38
Cash and cash equivalents	825	884	-7
Total current assets	3 180	2 590	23
Total assets	5 906	5 869	1
Equity and liabilities			
Equity:			

Share capital	80	80	0
Other funds	21	21	1
Treasury shares	-244	-348	-30
Translation differences	-65	-67	3
Invested non-restricted equity fund	4 925	4 925	0
Retained earnings	-4 316	-4 263	-1
Equity attributable to shareholders of the Parent company	401	348	15
Total equity	401	348	15
Non-current liabilities:			
Interest-bearing liabilities	500	1 000	-50
Interest-bearing lease liabilities	372	192	94
Total non-current liabilities	872	1 192	-27
Current liabilities:			
Interest-bearing liabilities	500	500	0
Interest-bearing lease liabilities	29	126	-77
Advances received	2 363	1 558	52
Accrued expenses and prepaid income	707	1 539	-54
Trade and other payables	1 033	607	70
Total current liabilities	4 633	4 329	7
Total liabilities	5 505	5 521	0
Total equity and liabilities	5 906	5 869	1

CONSOLIDATED CONDENCED CASH FLOW STATEMENT

EUR in thousands	Oct- Dec, 2024	Oct- Dec, 2023	Change, %	Jan- Dec, 2024	Jan- Dec, 2023	Change, %
Cash flow from operating activities:						
Result for the period	26	-307	108	-82	-924	91
Adjustments to the result	294	271	8	1 256	1 078	16
Working capital changes*	729	875	-17	-272	821	-133
Interest and other financial expenses paid	0	-2	-123	-78	-107	-27

Interest and other financial income received	0	0	0	0	0	-
Income taxes paid	-18	-8	123	-18	-19	-6
Net cash from operating activities	1 031	829	24	806	849	-5
Cash flow from investing activities:						
Purchases of tangible and intangible assets	-85	-108	-21	-331	-620	-47
Proceeds from sales of tangible and intangible assets	-	-	-	6	-	-
Net cash used in investing activities	-85	-108	-21	-325	-620	-48
Cash flow from financing activities:						
Proceeds from short term borrowings	-197	0	-	0	1 500	-100
Repayments of short term borrowings	0	0	0	-500	-1 500	-67
Payment of lease liabilities	-24	-17	42	-39	-121	-68
Share issue net	-	0	0	0	760	-100
Net cash used in financing activities	-221	-17	1 198	-539	639	-184
Net change in cash and cash equivalents	726	703	3	-58	868	-107
Cash and cash equivalents at the beginning of the period	99	181	-45	884	17	5 100
Effects of exchange rate changes on cash and cash equivalents	0	0	0	-1	0	-
Cash and cash equivalents at the end of the period	825	884	-8	825	884	-7

**Including non-interest bearing short term liabilities related to cash flow for investment*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other funds	Translation differences	Treasury shares	Invested		Total
					non-restricted equity fund	Retained earnings	
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							
Equity Dec 31, 2023	-1 279	0	0	58	1 982	26	787
Equity Jan 1, 2024	80	21	-67	-348	4 925	-4 263	348
Total comprehensive income for the period							
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							
Equity Dec 31, 2024	0	0	0	103	0	38	141
Equity Dec 31, 2024	80	21	-65	-244	4 925	-4 316	401

NOTES TO INTERIM FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

The tables section of this report has been prepared in accordance with IAS 34 “Interim Financial Reporting”.

This financial bulletin release does not include all disclosures required in the annual financial statements. QPR Software Plc’s financial statements for the fiscal year 2024 will be published as part of the annual report on April 3, 2025.

The same accounting principles as in the 2023 annual financial statements have been applied, except for the adoption of new standards and amendments effective for financial periods beginning on or after January 1, 2024, as well as a change in reporting of cloud platform production costs. The new standards, amendments, and their interpretations have had no significant impact on QPR Software Plc’s consolidated financial statements.

During the 2024 fiscal year, the company began reporting cloud platform production costs under the “Materials and Services” expense category. Comparison period figures have been presented at the end of the tables section of this release under both the previous and the 2024 cost classification structures.

In preparing the financial statements, company’s management is required to make forward-looking estimates and assumptions and apply judgment in the use of accounting principles, which may result in differences between estimates and actual outcomes.

All figures presented in this report refer to the Group, unless otherwise stated. Figures have been rounded, which may cause summed totals to differ from the individual line items.

SEGMENT INFORMATION

QPR Software reports a single business segment: Business Process Development. In addition, the company presents its revenue breakdown as follows: Software Licenses, Recurring Software Licenses, Software Maintenance Services, Cloud Services, and Consulting.

Recurring Software Licenses, together with Software Maintenance Services and Cloud Services, constitute the company's reported recurring revenue. These revenues are based on long-term contracts, either indefinite or fixed for multiple years, and are generally invoiced annually in advance.

The reporting of segment information follows the same accounting principles as applied in the consolidated financial statements.

REVENUE BY SEGMENT

EUR in thousands	10-12/ 2024	10-12/ 2023	Change, %	1-12/ 2024	1-12/ 2023	Change, %
Organizational development of organizations	1 963	1 599	23	6 614	7 550	-12
Total	1 963	1 599	23	6 614	7 550	-12

INTANGIBLE AND TANGIBLE ASSETS

EUR in thousands	Jan-Dec, 2024	Jan-Dec, 2023
Intangible assets		
Book value at the beginning of the period	2 603	2 769
Increase	331	620
Amortizations	-934	-786
Book value at the end of the period	1 999	2 603
Tangible assets		
Book value at the beginning of the period	81	171
Decrease	-6	-
Depreciations	-55	-90
Book value at the end of the period	20	81

CHANGES IN INTEREST-BEARING LIABILITIES

EUR in thousands	Jan-Dec, 2024	Jan-Dec, 2023
Interest-bearing liabilities Jan 1	1 818	2 279
Proceeds from borrowings	-	1 500
IFRS 16 – change in lease liability	83	-319
Repayments	500	1 641
Book value at the end of the period	1 401	1 818

PLEGDED AND COMMITMENTS

EUR in thousands	Dec 31, 2024	Dec 31, 2023
Business mortgages	2 382	2 382

Minimum lease payments based on lease agreements:		
Maturing in less than one year	24	30
Maturing in 1-5 years	-	27
Total	24	57
Total pledges and commitments	2 406	2 439

CONSOLIDATED INCOME STATEMENT BY QUARTER (2023 RESTATED)

	Restated				
EUR in thousands	Oct-Dec, 2024	July-Sept, 2024	April-June, 2024	Jan-Mar, 2024	Oct-Dec, 2023
Net sales	1 963	1 409	1 473	1 769	1 599
Other operating income	132	-	-		-
Materials and services	333	210	223	260	229
Employee benefit expenses	967	658	820	1 021	1 202
Other operating expenses	520	273	249	193	199
EBITDA	275	269	181	295	-31
Depreciation and amortization	252	274	247	263	252
Operating result	23	-6	-66	32	-283
Financial income and expenses	-19	-28	-21	-20	-24
Result before tax	4	-33	-87	13	-307
Income taxes	21	-	-	-	-
Result for the period	26	-33	-87	13	-307

CONSOLIDATED INCOME STATEMENT BY QUARTER (2023 AS PUBLISHED)

EUR in thousands	Oct-Dec, 2024	July-Sept, 2024	April-June, 2024	Jan-Mar, 2024	Oct-Dec, 2023
Net sales	1 963	1 409	1 473	1 769	1 599
Other operating income	132	-	-		-

Materials and services	333	210	223	260	134
Employee benefit expenses	967	658	820	1 021	1 202
Other operating expenses	520	273	249	193	294
EBITDA	275	269	181	295	-31
Depreciation and amortization	252	274	247	263	252
Operating result	23	-6	-66	32	-283
Financial income and expenses	-19	-28	-21	-20	-24
Result before tax	4	-33	-87	13	-307
Income taxes	21	-	-	-	-
Result for the period	26	-33	-87	13	-307

GROUP KEY FIGURES

EUR in thousands, unless otherwise indicated	Jan-Dec or Dec, 2024	Jan-Dec or Dec, 2023
Net sales	6 614	7 550
Net sales growth, %	-12,4	-3,5
EBITDA	1 020	182
% of net sales	15,4	2,4
Operating result	-16	-813
% of net sales	-0,2	-10,8
Result before tax	-103	-924
% of net sales	-1,6	-12,2
Result for the period	-82	-924
% of net sales	-1,2	-12,2
Return on equity (per annum), %	-21,8	-221,5
Return on investment (per annum), %	-14,3	-42,0
Cash and cash equivalents	825	884
Net borrowings	577	934
Equity	401	348
Gearing, %	143,9	268,3
Equity ratio, %	11,9	8,1
Total balance sheet	5 906	5 869

Investments in non-current assets	753	637
% of net sales	11,4	8,4
Product development expenses	979	1 427
% of net sales	14,8	18,9
Average number of personnel	33	57
Personnel at the beginning of period	49	85
Personnel at the end of period	32	49
Earnings per share, EUR (basic and diluted)	-0,005	-0,055
Equity per share, EUR	0,022	0,020
