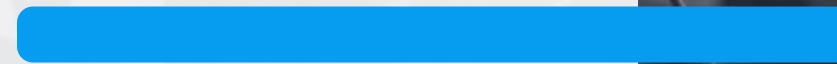




## **QPR Software PLC**

### **Remuneration Report 2023**



## INTRODUCTION

The reporting and transparency requirements for listed companies increased with the new EU Shareholder Rights Directive (SHRD) and the revised Finnish Corporate Governance Code 2020. QPR's Remuneration Policy was renewed to comply with these regulations, and it was approved at the Annual General Meeting in June 2020.

The goal of the Remuneration Policy is to define a framework for remuneration that supports achieving the Company's growth strategy, long-term financial success, and shareholder value creation. The Remuneration Policy also helps to recruit and retain competent executives and Board members to the Company.

This Remuneration Report presents salaries and remuneration of the members of the Board of Directors and the CEO for the financial year 2023. The report complies with the Corporate Governance Code 2020 and other applicable legislation. The rewards paid and reported in 2023 are in accordance with the remuneration policy approved by the company in 2020. In 2023, there were no deviations from the remuneration policy nor any clawbacks of remuneration.

The Annual General Meeting 2023 approved the Remuneration Report for 2022. The form of the Remuneration Report 2023 is similar to the 2022 Report, and it is presented on the company's website [www.qpr.com/investors](http://www.qpr.com/investors).

## Principles and management of remuneration

The remuneration of Board members is decided at the Annual General Meeting based on the proposal by the largest shareholders. The Board decides on the compensation principles of top management and decides and approves the terms and conditions of the CEO's employment in writing. The Board annually approves the personnel incentive scheme. Whether shares, options, or other benefits entitling to shares can be offered as part of remuneration, is decided by the Board pursuant to the authority agreed upon in the Annual General Meeting.

According to the key principles of remuneration, remuneration must lead to competitive total remuneration, where variable pay components are aligned with the Company's strategy and shareholder value. The development of the Company and its long-term shareholder value must significantly impact remuneration.

The Remuneration Policy has been prepared to follow the remuneration principles applicable to all employees of QPR Software. This is reflected, for example, in the performance criteria of the bonus program, which are derived from the Company's strategy, and are in part common between the CEO and other employees. However, the variable components constitute a more significant portion of the CEO's total remuneration compared to the average remuneration of QPR Software's employees, since the Company aims for a particularly strong link between the CEO's remuneration and the Company's performance.



These principles have been adopted in the remuneration decisions in 2023.

For incentive purposes, the Company has a bonus program that covers all employees. The short-term remuneration of top management consists of salary, fringe benefits, and a possible annual bonus based mainly on the sales performance of the Group and business unit. Furthermore, the Company launched a key employee stock option plan in 2019, which of plan A closed in January 2023 and plan B will close in the end of January 2024. In 2022, the board decided on the 2022 stock option program based on the authorization given by the company's annual general meeting on April 6, 2022. Additionally, in 2023, the board decided on the 2023 stock option program based on the authorization given by the annual general meeting on May 3, 2023.

The table below shows how the remuneration paid to the members of the Board of Directors and the CEO has developed over the past five financial years, compared to the development of the average remuneration of employees and the company's financial development during the same period (2019–2023). In 2023 and 2021, the company had two different CEOs.

EUR thousand	2023	2022	2021	2020	2019
<b>Remuneration of BoD</b>	<b>120</b>	113	89	76	76
% of net sales	<b>1,6 %</b>	1,4 %	1,0 %	0,8 %	0,8 %
<b>Remuneration of CEO</b>	<b>208</b>	228	251	182	201
% of net sales	<b>2,8 %</b>	2,9 %	2,8 %	2,0 %	2,1 %
<b>Remuneration of employees, average</b>	<b>78</b>	73	69	62	65
% of net sales	<b>1,0 %</b>	0,9 %	0,8 %	0,7 %	0,7 %
<b>Staff remuneration total</b>	<b>4 390</b>	5 823	5 546	5 301	5 328
% of net sales	<b>58,1 %</b>	74,4 %	60,7 %	59,1 %	56,0 %
<b>Net sales</b>	<b>7 550</b>	7 823	9 140	8 971	9 513
Growth of Net Sales, %	<b>-3,5 %</b>	-14,4 %	1,9 %	-5,7 %	-5,3 %
<b>Number of employees, average</b>	<b>57</b>	81	80	86	82
Change in number employees, %	<b>-29,6 %</b>	1,3 %	-7,0 %	4,9 %	1,2 %





## REMUNERATION IN 2023

The CEO's remuneration consisted of a fixed base salary, fringe benefits, a performance-based bonus according to the principles approved annually by the company's Board of Directors, as well as stock option rights.

Top management's remuneration consisted of a fixed base salary, fringe benefits, a performance-based bonus according to the principles approved annually by the company's Board of Directors, as well as stock option rights.

For incentive purposes, the Company has a bonus program that covers all employees.

### Remuneration of the Board of Directors in 2023

QPR Software Plc's Annual General Meeting held on May 3rd, 2023, resolved that a EUR 45,000 annual fee (2022: 45,000) shall be paid for the Chairman of the Board of Directors and EUR 25,000 (2022: 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 approximately 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 members of the Board of Directors were paid the full annual fee during 2023 in accordance with the decision of the Annual General Meeting. Thus, the table below differs from the table of remuneration presented in the financial statement.

#### Total remuneration paid to Board members in 2023.

EUR thousand	2023		
	Cash	Company shares	Total
Pertti Ervi, chairman	27	18	45
Matti Heikkonen	15	10	25
Antti Koskela	15	10	25
Jukka Tapaninen	15	10	25
<b>Total</b>	<b>42</b>	<b>48</b>	<b>120</b>

There is no retirement age set for the members of the board, and they have not been granted any exceptional



## Remuneration of the CEO in 2023

The CEO's remuneration consisted of a fixed base salary, fringe benefits, a performance-based bonus according to the principles approved annually by the company's Board of Directors, as well as stock option rights.

The goal of the CEO's remuneration scheme was to increase the Group's net sales, SaaS sales, and profitability. In 2023, the performance bonus was defined as 25% of the annual base salary when the performance targets outlined in the bonus program were achieved. If the targets are exceeded, the performance bonus can increase to a maximum of 37.5% of the annual base salary. Performance-based bonuses are paid annually. The bonus system is based on the growth of the Group's net sales, growth of the SaaS business, new sales, and the development of non-financial key figures. Payout of the bonus is applied according to EBITDA. The CEO will receive an 846 euros bonus for the year 2023. The remuneration of Heikki Veijola, CEO, who started in March 2023, for the rest of the year was defined as the target remuneration, which corresponded pro rata to the 3-month basic salary.

### Annual remuneration paid to the CEO Heikki Veijola ja Jussi Vasama

EUR thousand	Veijola 2023	Vasama 2023	Vasama 2022
Salary, including fringe benefits	145	62	210
Extra pension and other benefits	-	-	-
Bonus payments	1	-	18
<b>Total</b>	<b>146</b>	<b>62</b>	<b>228</b>

## Stock option scheme for key employees and CEO

QPR Software is operating with 2019B, 2022 and 2023 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 as well as to retain the key employees at the company. The stock options are issued gratuitously.



Option plan 2019B provides for the issuance of up to 473,000 options and option plan 2022 maximum 489,542 options, and option plan 2023 maximum 1,000,000 calculation. Each option entitles its holder to subscribe for one share. Stock option plan 2019 B is marked with the symbol 2019B. The subscription period for stock options 2019B the subscription period is January 1,2023–January 31,2024 and the subscription price EUR 2.55. The subscription period for the company's previous option program 2019A was January 1, 2022-January 31, 2023, and no shares were subscribed with the options of that program.

The stock option plan 2022 are marked with the symbol 2022. The Share subscription period with the stock options will be 15 June 2025–31 May 2027 and the subscription price EUR 0.85. 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 stock option plan 2023 is marked with the symbol 2023. The Share subscription period with the Stock Options shall be 6 September 2026 – 6 September 2028 and subscription price EUR 0,42. 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 terms and conditions of the stock options 2019 B, 2022 and 2023 are available on the company's website [www.qpr.com/investors](http://www.qpr.com/investors) and in the Annual Report 2023.

<b>Options granted to CEO</b>	<b>Option 2023</b>	<b>Option 2022</b>	<b>Option 2019B</b>
Heikki Veijola, CEO*	200 000	97 908*	135 000*

\* Issued in 2023

