



STRATEGY UPDATES Q3 2018 FINANCIAL RESULTS

UPDATED STRATEGY GROWTH FROM INTERNATIONAL SOFTWARE SALES AND CONSULTING IN FINLAND

- > Our target is to reach in average 15 – 20% annual growth in the next three years.
 - The target is mainly based on **growth in international software sales and growth in consulting services in our home market Finland.**
- > We see significant growth potential especially in process mining business, where we aim at over 50% annual growth. We see strong growth also in our strategy management business in Middle East.
- > Strong consulting support and new QPR UserInterface (QPR UI*) are used in growing and retaining our process and enterprise architecture modeling customer accounts.

**QPR UI is a user interface platform for all QPR products*

VISION 2025

QPR is an international software company providing its customers process analytics & modeling software. In Finland we have a strong synergistic consulting business.

BUSINESS MODELS AND MUST-WIN BATTLES

Software product
business

Process Mining
–
QPR ProcessAnalyzer

Software application
business

Strategy Management –
QPR Metrics

Business Management
System –
QPR EnterpriseArchitect /
QPR ProcessDesigner

Consulting business

Business
Optimization

MWB: Efficient sw development
(DevOps), stable and secure
delivery from QPR cloud.

MWB: Agile application
development on new sw
platform.

MWB:
Connecting customer insight to
unique combination of software
and methodology expertise.

BUSINESS ENVIRONMENT

GOOD POSITIONS IN GROWTH MARKETS

- > Process mining market is growing strongly
 - Recent forecast sees 50.3% compound market growth 2018-2023 to over USD 1.4 billion
 - According to Gartner Market Guide for Process Mining, QPR ProcessAnalyzer is "one of the leading offerings" in the market
- > Demand for Strategy management software remains strong in Middle East
 - We plan to build on recently won large reference customers. Sales focus is in United Arab Emirates and Saudi Arabia.
- > Digital transformation drives demand for consulting business in Finland
 - Our focus is on recently won public sector frame agreements and major private sector accounts.

QPR SOFTWARE'S STRATEGIC TARGETS

- In **process mining** we aim at leading position in this rapidly growing **international software product market** and target over 50% annual sales growth.
- In **strategy management software applications** we further strengthen our position in **Middle East** (KSA and Emirates).
- In **Finland** we renew our software business by providing **software applications** to private sector customers aiming at digitalizing their businesses, using new QPR User Interface. With **Business Management System application**, we strengthen our position in large customer segment.
- In **consulting**, we aim to grow by expanding the size of customer accounts in **Finland** and supporting our customers in **business optimization**.

BUSINESS PROGRESS JANUARY - SEPTEMBER 2018



NET SALES AND OPERATING RESULT IMPROVED

FINANCIAL RESULTS 2018

JANUARY - SEPTEMBER

- > **Net sales increased 6% to EUR 7,376 thousand (2017: 6,977).**
- > Recurring revenue 56% of net sales (55).
- > Operating result EUR 391 thousand (354).
- > QPR estimates that its net sales will grow in 2018 (2017: EUR 9,084 million).
 - **In H2 2018, net sales growth accelerates from growth level achieved in H1 2018.**

JULY – SEPTEMBER

- > **Net sales increased 13% to EUR 2,222 thousand (2017: 1,966).**
 - Software licenses 533 keur (443), +20%
 - Sw maintenance 768 keur (798), -4%
 - Cloud services 338 keur (207), +63%
 - Consulting 583 keur (519), +12%
- > Recurring revenue 58% of net sales (60).
- > Operating result EUR 109 thousand (-34).

HIGHLIGHTS

BUSINESS DEVELOPMENT

- > Number of SaaS deliveries continued to grow.
- > We increased the size of our customer accounts.
- > We won many new important and large customers, among others:
 - Global high technology company with over 100,000 employees, KPMG (Process Mining)
 - Dubai Electronic Security Center, Riyadh Chamber of Commerce (Strategy Management)
 - Citec, YIT, Ministry of Finance (Quality and Integrated Management Systems, Process Modeling, Consulting)

Dare to improve.

