



QPR Software
Remuneration
Report 2022



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 2022. The report complies with the Corporate Governance Code 2020 and other applicable legislation. The rewards paid and reported in 2022 are in accordance with the remuneration policy approved by the company in 2020. In 2022, there were no deviations from the remuneration policy nor any clawbacks of remuneration.

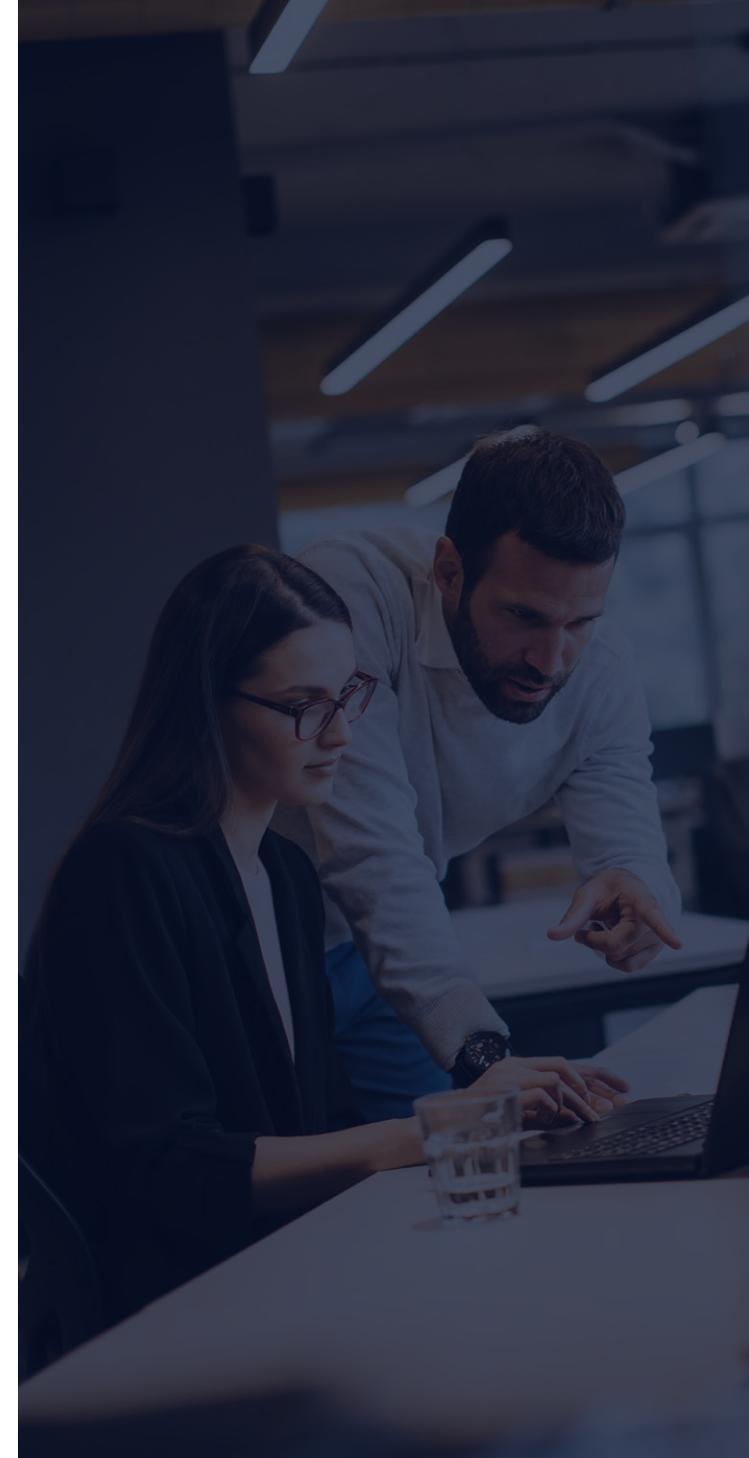
The Annual General Meeting 2022 approved the Remuneration Report for 2021 based on the advisory voting result. 99.391% of the votes were cast in favor of the remuneration report and 0.609% of the votes were cast against the approval of the remuneration report. The form of the Remuneration Report 2022 is similar to the 2021 Report, however, the information on the remuneration of the Executive Management Team has been removed from the report and moved to the company's website www.qpr.com/company/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.

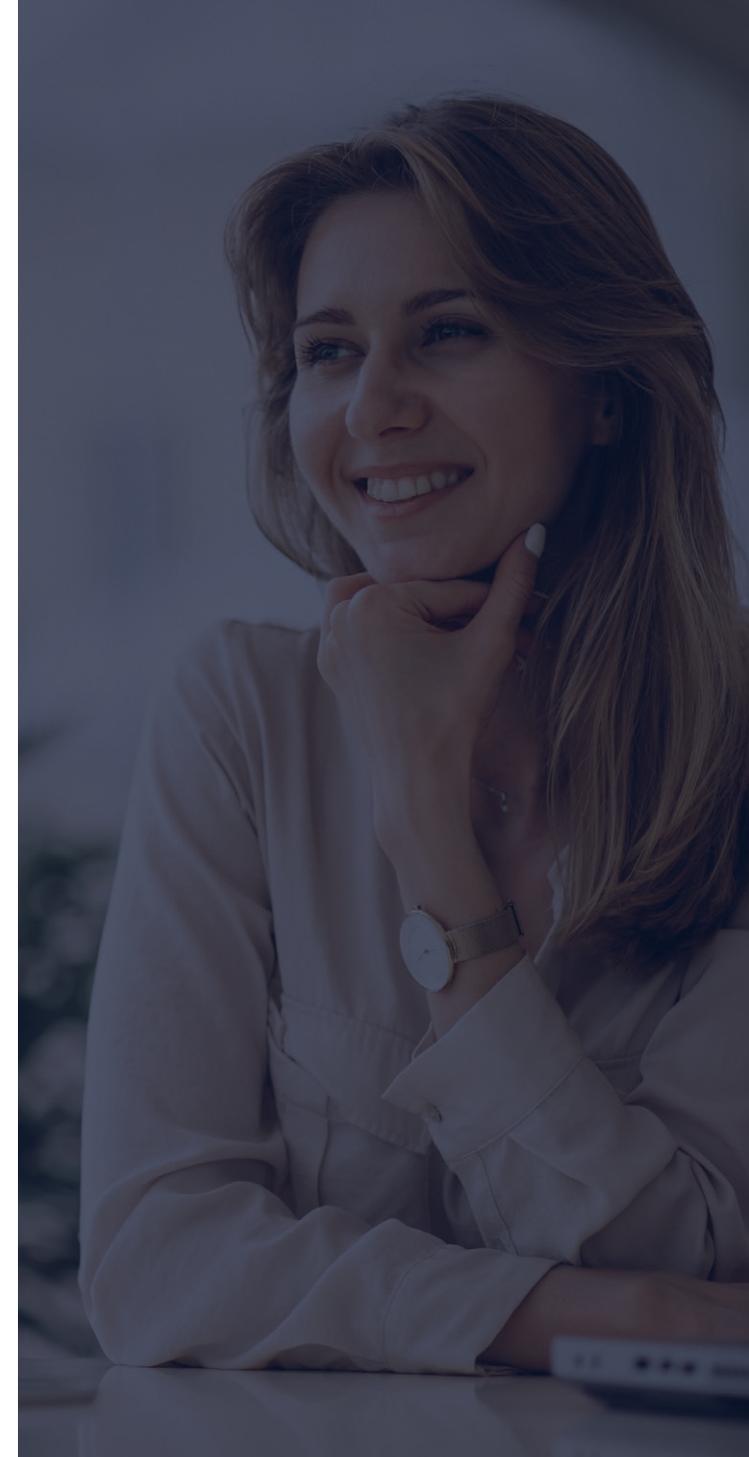


These principles have been adopted in the remuneration decisions in 2022.

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 and in 2022. The Board of Directors decided on the 2022 stock option plan based on the authorization given by the Annual General Meeting on 6.4.2022.

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 (2018–2022). In 2021, the company had two different CEOs.

EUR thousand	2022	2021	2020	2019	2018
Remuneration of BoD	113	89	76	76	80
% of net sales	1.4 %	1.0 %	0.8 %	0.8 %	0.8 %
Remuneration of CEO	228	251	182	201	203
% of net sales	2.9 %	2.8 %	2.0 %	2.1 %	2.0 %
Remuneration of employees, average	73	69	62	65	61
% of net sales	0.9 %	0.8 %	0.7 %	0.7 %	0.6 %
Staff remuneration total	5,823	5,546	5,301	5,328	4,942
% of net sales	74.4 %	60.7 %	59.1 %	56.0 %	49.2 %
Net sales	7,823	9,140	8,971	9,513	10,047
Growth of Net Sales, %	-14.4 %	1.9 %	-5.7 %	-5.3 %	18.4 %
Number of employees, average	81	80	86	82	81
Change in number employees, %	1.3 %	-7.0 %	4.9 %	1.2 %	6.6 %



Remuneration in 2022

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.

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Remuneration of the Board of Directors in 2022

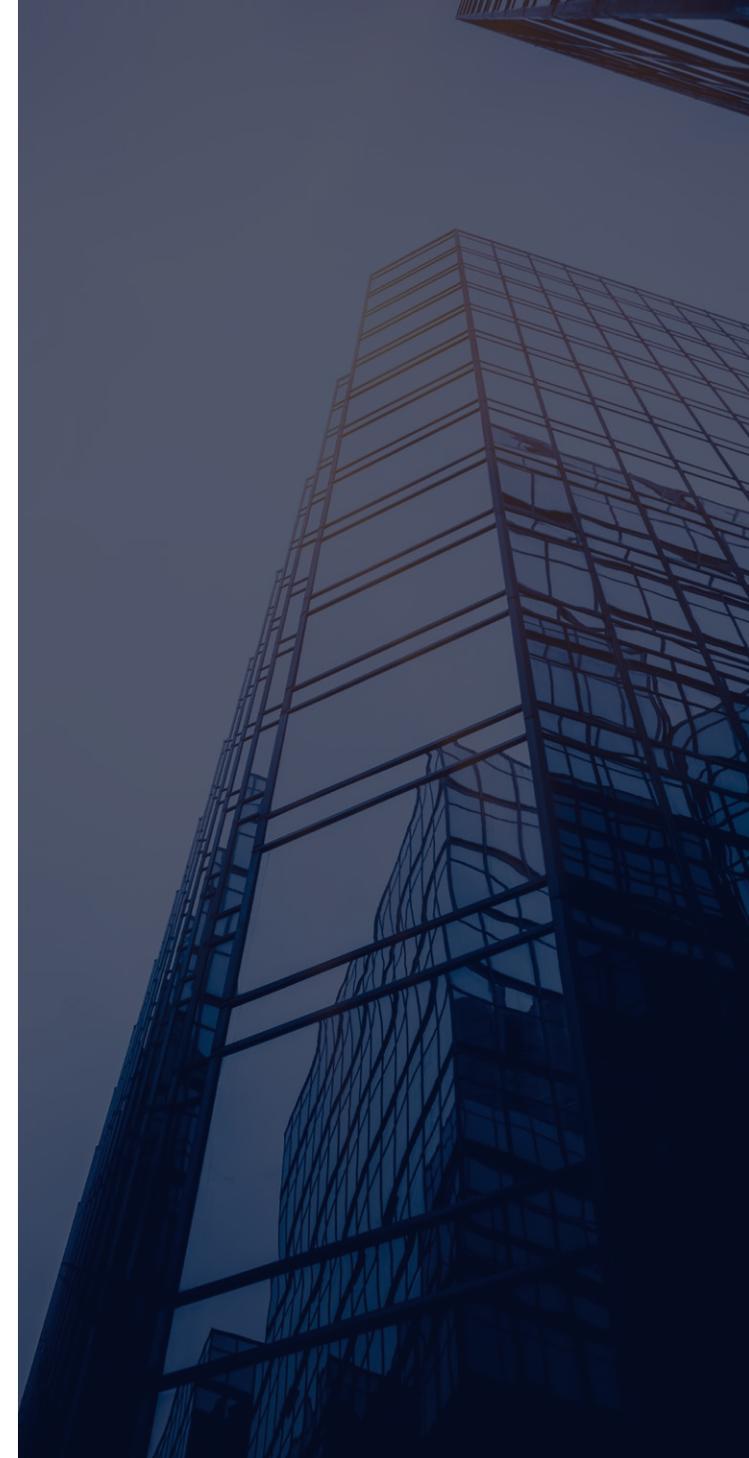
QPR Software Plc's Annual General Meeting held on April 6th, 2022, resolved that a EUR 45,000 annual fee (2021: 37,080) shall be paid for the Chairman of the Board of Directors and EUR 25,000 (2021: 18,540) annual fee shall be paid for the other members of the Board of Directors. Approximately 40% of the remuneration to the members of the Board of Directors will be paid in the company's shares and 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.

Members of the Board of Directors do not have a set retirement age nor exceptional pension arrangements.

The members of the Board of Directors were paid the full annual fee during 2022 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 2022

EUR thousand	2022		
	Cash	Company shares	Total
Pertti Ervi, chairman	37	18	55
Matti Heikkonen	20	10	30
Antti Koskela	20	10	30
Jukka Tapaninen	20	10	30
Total	97	48	145



Remuneration of the CEO in 2022

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.

In 2022, the CEO's maximum bonus was set to 50% of the annual base salary. The goal of the CEO's remuneration scheme was to increase the Group's net sales, SaaS sales, and profitability. The bonus was set to 33% of annual base salary for reaching the targets, with a maximum of 50% of annual base salary for exceeding the targets. 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. No bonus will be paid to the CEO for 2022. The remuneration of Jussi Vasama, CEO, who started in October 2021, for the rest of the year was defined as the target remuneration, which corresponded pro rata to the 4-month basic salary. The bonus for 2021 was paid in February 2022.

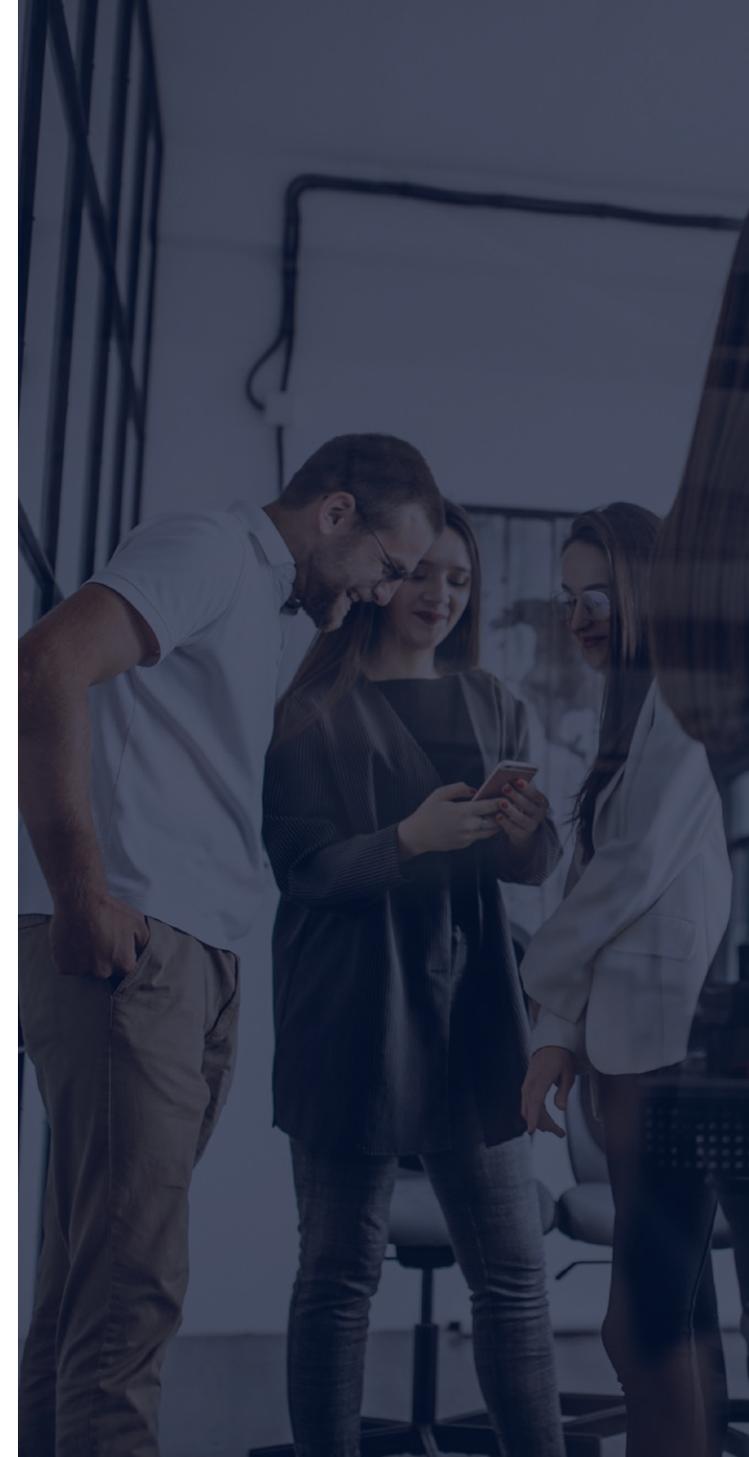
Annual remuneration paid to the CEO Jussi Vasama and Jari Jaakkola

EUR thousand	Vasama	Vasama	Jaakkola
	2022	2021	2021
Salary, including fringe benefits	210	53	199
Extra pension and other benefits	-	-	-
Bonus payments	18	-	-
Total	228	53	199

Stock option scheme for key employees and CEO

QPR Software is operating with 2019A, 2019B, and 2022 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.

The option plan 2019 A and B provides for the issuance of up to 910,000 options and option plan 2022 maximum 489,542 options. Each option entitles its holder to subscribe for one share. Out of the 2019 stock option plan, 437,000 options are marked with the symbol 2019A and 473,000 options are marked with the symbol 2019B. The subscription period for stock options marked 2019 A is January 1, 2022–January 31, 2023 and the subscription



price EUR 1.70. For stock options marked 2019B the subscription period is January 1,2023–January 31,2024 and the subscription price EUR 2.55.

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 terms and conditions of the stock options 2019 and 2022 are available on the company's website www.qpr.com/company/investors and in the Annual Report 2022.

Options granted to CEO	Option 2022	Option 2019A	Option 2019B
Jussi Vasama, CEO	97,908	130,000*	135,000*

* Issued in 2021

