

BASWARE INTERIM REPORT JANUARY 1 – MARCH 31, 2015 (IFRS)**SUMMARY****January–March 2015: Revenue growth at a good level**

- Net sales EUR 34 041 thousand (EUR 31 013 thousand) – increase of 9.8 percent
- Operating profit EUR 1 132 thousand (EUR 310 thousand)
- Operating profit 3.3 percent of net sales (1.0%)
- Growth of Network Services net sales 38.9 percent
- Recurring revenue 63.7 percent (66.9%) of net sales
- Earnings per share (diluted) EUR 0.04 (-0.01)

Basware expects its net sales and operating profit (EBIT) for 2015 to grow compared to 2014.

The Interim Report is unaudited.

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GROUP KEY FIGURES

EUR thousand	1-3/ 2015	1-3/ 2014	Change, %	1-12/ 2014
Net sales	34 041	31 013	9.8 %	127 674
EBITDA	2 790	2 099	32.9 %	11 354
Operating profit	1 132	310	265.2%	4 325
% of net sales	3.3%	1.0%		3.4%
Profit before tax	856	11	7 683.1%	4 328
Result for the period	595	-76		2 959
Return on equity, %	1.7%	-0.3%		2.5%
Return on investment, %	4.7%	1.7%		4.4%
Cash and cash equivalents	73 624*	21 308	245.5 %	28 954
Gearing, %	-50.2%	-15.1%		-38,6%
Equity ratio, %	74.3%	65.9%		82.7%
Earnings per share				
Undiluted, EUR	0.04	-0.01		0.22
Diluted, EUR	0.04	-0.01		0.22
Equity per share, EUR	9.89	7.40	33.6 %	9.88

*including the short term deposit maturing within 3 months from the period end

BUSINESS OPERATIONS

Basware is the global leader in providing purchase-to-pay and e-invoicing solutions in the world of commerce. Basware empowers companies to unlock value across their financial operations by simplifying and streamlining key financial processes. Basware helps its customers to succeed and create added value to their business through better financial management. Basware Commerce Network, the largest open business network in the world, connects 1 million companies across 100 countries and enables easy collaboration between buyers and suppliers of all sizes. Through this network, leading companies around the world achieve improved spend control, efficiency, and closer relations with their suppliers. With Basware, businesses can introduce completely new ways of buying and selling to achieve significant cost savings and boost their cash flow.

Reporting

Basware reports one operating segment: Purchase to Pay, P2P. The segment is divided into the Network Services and Solution Services businesses that support each other.

The company reports revenue from products and services as follows: Network Services (e-invoicing solutions and services) and Solution Services (software solutions and services).

Network services revenue is comprised of e-invoicing, paper invoice scanning services, printing service, catalog exchange, purchase message exchange, activation services, and start up fees of e-invoicing

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services and alliance fees of financing-related value added services. Solution Services revenue is comprised of software revenue (SaaS revenue and license sales), software maintenance and extended customer support services, professional services, and start-up fees of SaaS services.

Recurring revenue reported by the company consists of the net sales excluding license sales and professional services revenue. Alliance fees related to financing-related value added services of non-recurring nature are not included in the recurring revenue reported. The definition of the recurring revenue has been revisited to reflect the current business structure.

As of January 1, 2015, Basware reports geographical areas Finland, EMEIA & Russia, and Americas & APAC. The reported areas have been adjusted to reflect the growth in the share of the Group's international business. The Finland area includes the Finnish operations and corporate services. EMEIA & Russia combines Scandinavia and the rest of Europe, previously reported separately, and it also includes operations in Russia and Africa. Americas & APAC includes business functions in North and South America and the Pacific region. The comparison figures have been adjusted correspondingly.

Net sales are reported by the customer's location, and net sales and operating result are also reported by the location of the assets. In addition, the geographical information of non-current assets is reported by the location of the assets in the annual financial statements.

CEO Esa Tihilä:

Revenue growth was at a good level during the first quarter, growth of 9.8 percent year-on-year. Net sales for the first quarter amounted to EUR 34 041 thousand (EUR 31 013 thousand), and operating result was EUR 1 132 thousand (EUR 310 thousand). The year-on-year growth in key markets, such as the US, the UK as well as Finland, was at a good level. The number of transactions within the Basware Commerce Network as well as the SaaS business grew according to the plan. The investments in the development of selected key operations, such as Financing Services and customer interfacing activities, have continued also during the first quarter.

The Network Services sales grew strongly during the first quarter. The net sales of Network Services amounted to EUR 11 112 thousand (EUR 8 002 thousand) during the first quarter, growth of 38.9 percent year-on-year. The development of collaboration activities continued and the company recorded solid income related to these partnership activities. The growth in the transaction volume continued also during the first quarter, up 28.5 percent year-on-year. A total of 22.1 million transactions were processed via Basware Commerce Network during the quarter.

The Solution Services sales continued steadily also during the first quarter. The net sales of the Solution Services business amounted to EUR 22 928 thousand for the first quarter (EUR 23 011 thousand). The demand for SaaS services has been at a good level, represented by the SaaS revenue growth of 21.5 percent. The billable utilization rate continued to develop positively and several significant new customer agreements were signed during the first quarter.

Building the Financing Services business and services has continued according to the plan. Basware launched Basware Discount, a new solution that allows buyers and suppliers to optimize invoice payment terms for better working capital management. As a service on the Basware Commerce Network, more than one million businesses will be able to benefit from early payment terms, managed online in real time. With the signing of the definitive agreement with Arrowgrass Capital Partners LLP, the joint development of a new e-invoicing based, supplier driven invoice financing service has kicked off.

On April 8, 2015, Basware signed an agreement to acquire Procserve, the leading e-procurement

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solution provider for the public sector in the UK. Procserve's and Basware's cloud-based e-procurement solutions as well as Procserve Commerce Network and the open Basware Commerce Network complement each other and they will enable public sector to operate more efficiently by automating the purchase-to-pay process, freeing up time and money that can be invested in frontline services.

Basware is the leading expert for the public sector to support their e-invoicing and e-procurement initiatives across Basware markets. There is a continued push from governments and public sector, including the UK, to adopt e-invoicing as the technology is becoming more commonplace and the benefits are realised more widely. Through the acquisitions over the recent years, Basware is already the leading e-invoicing operator in the Nordics, the Benelux market and Germany, and with the recent acquisition the company significantly strengthens its foothold in the UK.

In accordance with its strategy, Basware's geographic expansion and achieving strong growth in Basware Commerce Network continue to be the main objectives, pursued both organically and through mergers and acquisitions. The company will continue to invest in the sales and has introduced an internal *Customers for Life* initiative, tasked with achieving scalable growth and significantly improving the customer's experience in how they engage with Basware. Development of the Financing Services business and services and establishing and finding new significant partnerships in the business will continue actively this year.

FIRST QUARTER JANUARY 1 – MARCH 31, 2015

NET SALES

Basware Group's net sales for the first quarter amounted to EUR 34 041 thousand (EUR 31 013 thousand), growth of 9.8 percent. The net sales included higher alliance fees related to the financing-related value added services compared to the corresponding period.

Information on products and services*

Net sales EUR thousand	1-3/ 2015	1-3/ 2014	Change, %	1-12/ 2014
Network Services	11 112	8 002	38.9%	33 237
Solution Services	22 928	23 011	-0.4%	94 437
Group total	34 041	31 013	9.8%	127 674

*The breakdown of the net sales of the businesses has been adjusted with regard to previously reported comparison periods due to changes in the organization structure

The Network Services net sales for the period amounted to EUR 11 112 thousand (EUR 8 002 thousand), growth of 38.9 percent, including an alliance fee of 3 million Euros related to the financing-related value added services. The strong growth in the transaction volume of the business continued, up 28.5 percent, and 22.1 million transactions were processed via Basware Commerce Network.

Solution Services net sales amounted to EUR 22 928 (EUR 23 011 thousand), down -0.4 percent.

The share of recurring revenue of net sales decreased during the period to 63.7 percent (66.9%) of net sales, influenced by a non-recurring alliance fee of 3 million Euros related to the financing-related value added services.

The development of collaboration activities continued and the company recorded a non-recurring

alliance fee of 3 million Euros related to the financing-related value added services.

The international share of Basware's net sales was 63.3 percent (64.1%) in the period.

FINANCIAL PERFORMANCE

Basware's operating profit for the period amounted to EUR 1 132 thousand (EUR 310 thousand). Operating profit represented 3.3 percent (1.0%) of net sales.

The company's fixed expenses including depreciations and amortization were EUR 28 918 thousand (EUR 27 901 thousand) in the period, and have increased by 3.6 percent from the corresponding period the previous year. Personnel costs made up 72.0 percent (72.0%) or EUR 20 811 thousand (EUR 20 078 thousand) of the fixed expenses. Bad debt provision at the end of the period amounted to EUR 1 082 thousand (EUR 1 717 thousand).

The company's finance income and finance expenses were EUR -276 thousand (EUR -299 thousand) for the period. Result before tax was EUR 856 thousand (EUR 11 thousand) and result for the period was EUR 595 thousand (EUR -76 thousand) or 1.7 percent (-0.2%) of net sales. Taxes for the period totaled EUR -261 thousand (EUR -87 thousand). Undiluted earnings per share were EUR 0.04 (EUR -0.01).

FINANCE AND INVESTMENTS

Basware Group's total assets on the balance sheet at the end of the period were EUR 188 378 thousand (EUR 144 508 thousand). The company's cash and cash equivalents including short-term deposits totaled EUR 73 624 thousand (EUR 58 954 thousand). The improvement of the net cash flow from operations, EUR 19 775 thousand (EUR 13 422 thousand), was driven mainly by a decrease in working capital. Net cash flows from investments were EUR -2 345 thousand (EUR -606 thousand). Net cash flows from financing activities were EUR -3 082 thousand (EUR -4 694 thousand).

Equity ratio was 74.3 percent (65.9%) and gearing -50.2 percent (-15.1%). The company's interest-bearing liabilities totaled EUR 3 333 thousand (EUR 6 893 thousand), of which current liabilities accounted for EUR 3 333 thousand (EUR 3 547 thousand). Return on investment was 4.7 percent (1.7%) and return on equity 1.7 percent (-0.3%).

Capital expenditure, resulting from regular additional and replacement investments required by the growth, was EUR 200 thousand (EUR 441 thousand) during the period. Gross investments including the capitalized research and development costs totaled EUR 2 175 thousand (EUR 1 300 thousand).

RESEARCH AND DEVELOPMENT

Basware's research and development expenses totaled EUR 4 808 thousand (EUR 4 474 thousand), or 14.1 percent (14.4%) of net sales during the review period. The expenses increased by 7.5 percent compared to the corresponding period the previous year. Research and development expenses capitalized during the period amounted to EUR 1 692 thousand (EUR 844 thousand). The research and development costs included in the profit for the review period totaled EUR 3 116 thousand (EUR 3 630 thousand), or 9.2 percent (11.7%) of net sales. A total of 336 (327) people worked in R&D at the end of the period.

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PERSONNEL

Basware employed 1 516 (1 460) people on average during the period and 1 508 (1 441) at the end of the period.

Geographical division of personnel:

Personnel Employed, on average	1-3/ 2015	1-3/ 2014	Change, %	1-12/ 2014
Finland	474	493	-3.9 %	482
EMEA & Russia	465	408	14.0 %	425
India	503	491	2.4 %	492
Americas & APAC	75	68	10.8 %	67
Group total	1 516	1 460	3.9 %	1 466

The share of personnel working in foreign units has increased compared with the previous year. At the end of the period, 68.7 percent (66.6%) of Basware personnel worked outside of Finland and 31.3 percent (33.4%) in Finland. 11.6 percent (12.1%) of the personnel work in sales and marketing, 59.0 percent (59.3%) in consulting and services, 22.3 percent (22.7%) in products, and 7.0 percent (6.0%) in administration.

The average age of employees is 35.1 (34.8) years. Women account for 24.7 percent (23.8%) of employees, men for 75.3 percent (76.2%).

OTHER EVENTS OF THE PERIOD

Basware Corporation's Annual General Meeting on February 13, 2015

The Annual General Meeting of Basware Corporation held on 13 February 2015 adopted the annual accounts for the financial period ended on 31 December 2014. The members of the Board of Directors as well as the CEO were discharged from liability for the financial period ended on 31 December 2014.

The Annual General Meeting resolved in accordance with the proposal of the Board of Directors to distribute a dividend of EUR 0.10 per share for the year 2014. The record date for the dividend was 17 February 2015 and the dividends were paid on 24 February 2015.

The Annual General Meeting decided the number of members of the Board of Directors to be five. Mr. Hannu Vaajoensuu, Mr. Michael Ingelög, Mr. Ilkka Sihvo, Ms. Tuija Soanjärvi and Mr. Anssi Vanjoki were elected as members of the Board of Directors.

The Annual General Meeting decided that the remuneration for the members of the Board of Directors will be paid as follows: members EUR 27,500 per annum, vice chairman EUR 32,000 per annum and chairman EUR 55,000 per annum. In addition each member shall receive EUR 340 per attended meeting. Out of the annual remuneration to be paid to the Board members, 40 per cent of total gross compensation amount will be used to purchase Basware Corporation's shares at trading on regulated market organized by NASDAQ OMX Helsinki Ltd. However, this only concerns Board members whose ownership of Basware Corporation is less than 5,000 shares. The purchase of shares will take place as soon as possible after the decision by the General Meeting. Shares received as remuneration may not be sold or otherwise transferred during a period of two years. This restriction does not concern persons

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who are no longer Board members. Travel expenses of the members of the Board of Directors are reimbursed in accordance with the company's travel policy.

Ernst & Young Oy, Authorized Public Accountants organisation, was elected as the company's auditor. Ernst & Young Oy has advised that it will appoint Ms. Terhi Mäkinen, Authorized Public Accountant, as the principally responsible auditor of the company. It was decided that the remuneration of the auditor is paid according to reasonable invoice and that travel expenses of the auditor are reimbursed in accordance with the company's travel policy.

Authorizing the Board of Directors to decide on the repurchase of the company's own shares

The Annual General Meeting decided to authorize the Board of Directors to decide on repurchase of company's own shares in accordance with the proposal of the Board of Directors. By virtue of the authorization, the Board of Directors is entitled to decide on repurchasing a maximum of 1,420,000 company's own shares. The company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by NASDAQ OMX Helsinki Ltd at the market price prevailing at the time of acquisition. The shares shall be repurchased and paid for in accordance with the rules of NASDAQ OMX Helsinki Ltd and Euroclear Finland Ltd. The shares shall be repurchased for use as consideration in possible acquisitions or other arrangements related to the company's business, as financing for investments or as part of the company's incentive program or to be held by the company, to be conveyed by other means or to be cancelled. The Board of Directors shall decide on other terms and conditions related to the repurchase of the company's own shares. The Repurchase Authorization shall be valid until 30 June 2016 and shall revoke the previous authorizations for repurchasing the company's own shares.

Authorizing the Board of Directors to decide on share issue as well as on the issuance of options and other special rights entitling to shares

The Annual General Meeting decided to authorize the Board of Directors to decide on issuing new shares and/or conveying the company's own shares held by the company and/or granting special rights entitling to shares pursuant to Chapter 10, Section 1 of the Finnish Companies Act in accordance with the proposal of the Board of Directors.

New shares may be issued and the company's own shares may be conveyed to the company's shareholders in proportion to their current shareholdings in the company or by waiving the shareholder's pre-emption right, through a directed share issue if the company has a weighty financial reason to do so, such as using the shares as consideration in possible acquisitions or other arrangements related to the company's business, as financing for investments or as part of the company's incentive program. The new shares may also be issued in a free share issue to the company itself.

New shares may be issued and the company's own shares held by the company may be conveyed either against payment or for free. A directed share issue may be free only if there is an especially weighty financial reason both for the company and with regard to the interests of all shareholders in the company.

Based on the authorization, the Board of Directors may decide to issue a maximum of 2,840,000 new shares and convey a maximum of 1,494,803 of the company's own shares held by the company. The number of shares to be issued to the company itself together with the shares repurchased by the company on basis of the repurchase authorization shall be at the maximum of 1,420,000 shares.

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The Board of Directors may grant special rights referred to in Chapter 10, Section 1 of the Finnish Companies Act, which carry the right to receive, against payment, new shares of the company or the company's own shares held by the company. The right may also be granted to the company's creditor in such a manner that the right is granted on a condition that the creditor's receivable is used to set off the subscription price (convertible bond). The maximum number of new shares that may be subscribed by virtue of the special rights granted by the company is in total 1,000,000 shares which number shall be included in the maximum number of new shares stated above.

The subscription price of the new shares and the consideration payable for the company's own shares shall be recorded under the invested non-restricted equity fund. The Board of Directors shall decide on all other terms and conditions related to the authorizations. The authorizations shall be valid until 30 June 2016 and shall revoke the previous authorizations for share issues and granting of stock options and other special rights entitling to shares.

First meeting of the Board of Directors

In its first meeting held after the Annual General Meeting, the Board of Directors elected Hannu Vaajoensuu as the Chairman and Ilkka Sihvo as the Vice Chairman of the Board.

Basware Discount launched

On February 17, 2015 Basware launched Basware Discount, a new solution within its Financing Services portfolio, that allows buyers and vendors to optimize invoice payment terms for better working capital management. As a service on the Basware Commerce Network, more than one million businesses will be able to benefit from early payment terms, managed online in real time. The service is dynamic in that it offers payment terms on a sliding scale: the earlier the buyer makes a payment, the bigger the discount.

ING Commercial Banking to support Basware Pay

ING Commercial Banking announced about providing Basware Pay to customers worldwide on February 26, 2015. The solution connects buyer and supplier purchasing and invoicing processes via the open Basware Commerce Network and is directly integrated into the e-invoicing process to improve cash flow management of companies.

Definitive partnership agreement with Arrowgrass Capital Partners LLP

Basware and Arrowgrass Capital Partners LLP signed a definitive agreement under which the parties have agreed to jointly develop a new e-invoicing based, supplier driven invoice financing service on March 12, 2015. With the agreement the parties have established a joint venture to develop and manage the service globally. The new service is planned to be launched in the end of 2015 as one of the key services within Basware's Financing Services portfolio, designed for companies of all sizes to optimize cash and working capital through digital participation in the open Basware Commerce Network.

New share-based incentive plan for key personnel for 2015-2017

The Board of Directors of Basware Corporation decided, announced on March 24, 2015, to establish a new share-based incentive plan directed to a group of key personnel from the beginning of 2015 until the end of 2017. The aim of the plan is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, commit the key personnel to the company, and offer them a competitive reward plan based on shareholding in the company. Accordingly, the Board of Directors encourages the Basware Executive Team members to hold shares in the company equaling the value of

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annual gross base salary.

The system includes three earning periods, calendar years 2015, 2016 and 2017. The first one thirds of the earned share will be allocated 6 months, the second one thirds 12 months and the third one thirds 18 months after the end of the earning period. In addition, in early 2015, the members of Basware Executive Team may be allocated shares against purchased shares (11.000 in maximum) without consideration against shareholding of three years during the earning periods in 2015-2017.

The Board of Directors decides on the earnings criteria and related targets separately for each annual earning period at the beginning of the earning period. The possible reward for the earning period 2015 is based on the revenue and operating profit growth and the total shareholder return of Basware Corporation.

The shares to be allocated based on the plan for 2015-2017 at the target level amount to approximately 243.593 Basware Corporation shares (including also the proportion to be paid in cash) and total up to 313.371 shares. The possible shares to be allocated will consist of own shares held by the company or acquired in public trading through NASDAQ OMX Helsinki Ltd.

Basware's Audit Committee

Announced on March 24, 2015, Basware's Board of Directors decided on the appointment of an Audit Committee to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and Basware's process for monitoring compliance with laws and regulations. The Audit Committee works in accordance with its Charter confirmed by the Board of Directors, and the Committee reports to the Board on each meeting.

The Audit Committee consists of two members independent of the company, elected by the Board of Directors from amongst its members. The Board elected Tuija Soanjärvi as the Chairman and Michael Ingelög as the member of the Committee.

EVENTS AFTER THE PERIOD

Acquisition of Procserve

Basware Corporation signed on April 8, 2015 an agreement to acquire Procserve, the leading e-procurement solution provider for the public sector in the UK. The acquisition price is approximately EUR 25.9 million. In 2014, the net sales of the acquired business amounted to approximately EUR 9.6 million. Procserve employs 61 people.

In 2015 the company expects the transaction and integration related costs to exceed the savings. In 2016 the company expects the cost synergies to be marginally net positive. The savings relate for example to the creation of joined IT infrastructure and facilities.

RISKS AND UNCERTAINTY FACTORS

The world economy and markets are unstable, which has resulted in a decrease in the demand for solutions and services. The negotiation times of large international deals in particular are long because of the nature of service level agreements in the deals.

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Business management regularly monitors the payment of sales receivables as part of the management of customer accounts. There are no significant credit risk concentrations associated with the sales receivables; they are primarily comprised of a large number of relatively small receivables.

The development of Solution Services net sales is influenced by the utilization rate of consulting and delays in the entry of new SaaS services into production compared to the plans. The Alusta software and services are continuously developed in the Solution Services business area. The development work is associated with technical implementation risks that may influence the usability and quality of existing or new products.

Information security is an important and central part of Basware's operations. The market is developing all the time, and the requirement level related to information security changes rapidly, resulting in potential risks.

Basware invests in launching financing services business. This is a new business area for the company, and the associated possible risks include risks related to the functionality of new products, collaboration with business partners, and demand for the products.

The company aims to avoid wrong recruitments and excessive personnel turnover, which can lead to a decrease in customer satisfaction, growth and profitability, and continuously assesses the competence and well-being of the personnel as part of the HR processes.

Additional information on risks and risk management is available on the company's investor site www.basware.com/investors.

FUTURE OUTLOOK

Operating environment and market outlook

Companies of all sizes globally are under pressure to improve their cash flows, find new innovative payment strategies, and automate their financial processes and functions. The company expects the same to continue also in 2015 and the continuous demand for services to remain at a favorable level among its customers.

Consolidation is expected to continue in the business environment, with the role of services growing in companies' portfolios. According to industry research, e-invoicing has become more common and the number of e-invoices has grown substantially in Europe and the rest of the world. The global market penetration of e-invoices is estimated to be some 10 percent. The growing e-invoicing market and companies' interest in other payment and financing added value solutions as well will offer excellent growth opportunities in future years.

Outlook 2015

The global market growth in e-invoicing has been estimated to be approximately 20 percent. Basware is pursuing strong growth in Network Services by developing and automating the connection of buyers and suppliers to the e-invoicing service, by utilizing digital marketing and sales channels more extensively, and through acquisitions. In the Solution Services business, sales of Alusta are expected to have a positive effect on software net sales and professional services.

Basware's fixed costs are expected to develop moderately. Basware will invest more extensively in sales and marketing as well as research and development of new solutions and services, including Financing

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Services. The company will continue to improve its profit-making ability in its software business also this year by ensuring the efficient use of resources in professional services and improving the billing rate in relation to demand. The company will continue investments in the Network Services business to achieve accelerated growth by primarily developing automated solutions for sending and receiving e-invoices and new ways to achieve accelerated growth in sales.

In 2015, the company expects the acquisition of Procserve and related integration costs to exceed the savings starting from the second quarter of the year and the cost synergies to be marginally net positive next year. The company also expects the joint venture which has been established with Arrowgrass Capital Partners LLP to add net costs in 2015.

Basware continues active analysis of acquisition targets especially in the e-invoicing market in Europe and in the U.S. according to its strategy. Decisions on additional investments required for growth will be made during the year as required by the market situation and development of business operations.

Basware expects its net sales and operating profit (EBIT) for 2015 to grow compared to 2014.

Espoo, Finland, Tuesday, April 14, 2015

BASWARE CORPORATION
Board of Directors

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SUMMARY OF FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS JANUARY 1 – MARCH 31, 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	1.1.- 31.3.2015	1.1.- 31.3.2014	Change, %	1.1.- 31.12.2014
NET SALES	34 041	31 013	9.8%	127 674
Other operating income	19	177	-89.3%	260
Materials and services	-4 009	-2 978	34.6 %	-12 796
Employee benefit expenses	-20 811	-20 078	3.7%	-77 779
Depreciation and amortization	-1 658	-1 789	-7.3%	-7 029
Other operating expenses	-6 449	-6 034	6.9%	-26 004
Operating profit	1 132	310	265.2%	4 325
Finance income	565	139	306.5%	1 154
Finance expenses	-841	-438	92.1%	-1 151
Profit before tax	856	11	7 683.1%	4 328
Income taxes	-261	-87	200.3 %	-1 368
RESULT FOR THE PERIOD	595	-76		2 959
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations	1392	258	439.5%	-684
Income tax relating to components of other comprehensive income	-420	-24	1 650.0%	-279
Other comprehensive income, net of tax	971	234	315.0%	-963
TOTAL COMPREHENSIVE INCOME	1 567	158	891.0%	1 996
EUR thousand	1.1.- 31.3.2015	1.1.- 31.3.2014	Change, %	1.1.- 31.12.2014
Profit attributable to:				
Equity holders of the parent company	595	-76		2 959
	595	-76		2 959
Total comprehensive income attributable to:				
Equity holders of the parent company	1 567	158	891.0%	1 996
	1 567	158	891.0%	1 996
Earnings per share				
undiluted, EUR	0.04	-0.01		0.22
diluted, EUR	0.04	-0.01		0.22

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	31.3.2015	31.3.2014	Change, %	31.12.2014
ASSETS				
Non-current assets				
Intangible assets	25 779	25 887	-0.4%	25 231
Goodwill	50 647	51 098	-0.9%	50 317
Tangible assets	1 395	1 491	-6.4%	1 387
Available-for-sale investments	38	38	0.0%	38
Trade and other receivables	904	841	7,5%	724
Deferred tax assets	4 421	3 780	16.9%	4 377
Non-current assets	83 184	83 136	0.1%	82 074
Current assets				
Inventories	30	53	-43.6%	42
Trade receivables	25 834	31 154	-17.1 %	22 902
Other receivables	34 423	5 653	508.9%	33 204
Income tax receivables	1 165	3 204	-63.6%	1 605
Cash and cash equivalents	43 743	21 308	105.3%	28 954
Current assets	105 195	61 372	71.4%	86 707
ASSETS	188 378	144 508	30.4%	168 781

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	31.3.2015	31.3.2014	Change, %	31.12.2014
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	3 528	3 528	0.0%	3 528
Share premium account	1 187	1 187	0.0%	1 187
Treasury shares	-1 128	-1 156	-2.4%	-1 156
Invested unrestricted equity fund	104 353	61 740	69.0%	104 381
Other reserves	540	540	0.0%	540
Translation differences	-1 949	-2 074	-6.0%	-2 921
Retained earnings	33 412	31 427	6.3%	34 184
Shareholders' equity	139 944	95 192	47.0%	139 745
Non-current liabilities				
Deferred tax liability	2 507	2 002	25.2%	2 433
Interest-bearing liabilities	0	3 346	-100.0%	1 667
Other non-current financial liabilities	207	208	-0.7%	315
Non-current liabilities	2 714	5 555	-51.1%	4 415
Current liabilities				
Interest-bearing liabilities	3 333	3 547	-6.0%	3 333
Trade payables and other liabilities	42 162	39 850	5.8%	20 886
Income tax liabilities	225	364	-38.2%	403
Current liabilities	45 721	43 761	4.4%	24 622
EQUITY AND LIABILITIES	188 378	144 508	30.4%	168 781

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Share premium account	Treasury shares	Inv. un-restricted equity	Other reserves	Translation differences	Retained earnings	Total
SHAREHOLDERS' EQUITY								
1.1.2015	3 528	1 187	-1 156	104 381	540	-2 921	34 184	139 745
Comprehensive income						971	595	1 567
Dividend distribution							-1 415	-1 415
Share based payments							48	48
Treasury shares issued*			28	-28				0
SHAREHOLDERS' EQUITY								
31.3.2015	3 528	1 187	-1 128	104 353	540	-1 949	33 412	139 944

EUR thousand	Share capital	Share premium account	Treasury shares	Inv. un-restricted equity	Other reserves	Translation differences	Retained earnings	Total
SHAREHOLDERS' EQUITY								
1.1.2014	3 528	1 187	-1 164	61 748	540	-1958	34 074	97 956
Comprehensive income						234	-76	158
Dividend distribution							-2 957	-2 957
Management incentive plan							35	35
Changes in rep.period*			8	-8		-350	350	0
SHAREHOLDERS' EQUITY								
31.3.2014	3 528	1 187	-1 156	61 740	540	-2 074	31 426	95 192

*Reward of the share-based incentive plan of Basware's key personnel

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CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1.1.-31.3.2015	1.1.-31.3.2014	1.1.-31.12.2014
Cash flows from operating activities			
Result for the period	595	-76	2 959
Adjustments	2 240	2 210	8 460
Working capital changes	17 372	12 252	5 191
Financial items in operating activities	-31	-145	-938
Income taxes paid	-400	-820	-762
Cash flows from operating activities	19 775	13 422	14 912
Cash flows used in investing activities			
Purchase of tangible and intangible assets	- 2 345	-1 206	-6 517
Short-term deposits	0	0	-30 000
Repayment of loan receivables	0	600	600
Cash flows used in investing activities	-2 345	-606	-35 917
Cash flows from financing activities			
Share issue	0	0	43 215
Repayments of borrowings	- 1 667	-1 667	-3 333
Payments of finance lease liabilities	0	-70	-284
Dividends paid	-1 415	-2 957	-2 957
Cash flows from financing activities	-3 082	-4 694	36 640
Net change in cash and cash equivalents	14 349	8 122	15 635
Cash and cash equivalents at the beginning of period	28 945	13 218	13 218
Net foreign exchange difference	440	-31	101
Cash and cash equivalents at the end of period	43 743	21 308	28 954

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ACCOUNTING PRINCIPLES

The Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting. The same accounting principles have been followed as in the previous annual financial statements.

Preparation of financial statements in accordance with the IFRS standards requires Basware's management to make estimates and assumptions that have an effect on the amount of assets and liabilities on the balance sheet at the closing date as well as the amounts of income and expenses for the financial period. In addition, the management must exercise its judgment regarding the application of accounting policies. Since the estimates and assumptions are based on the views at the date of the Financial Statements, they include risks and uncertainties. The actual results may differ from the estimates and assumptions.

The amounts presented in the income statement and balance sheet are Group figures. The amounts presented in the release are rounded, so the sum of individual figures may differ from the sum reported.

The Interim Report is unaudited.

SEGMENT REPORTING

Basware reports one operating segment: Purchase to Pay, P2P. The reported segment is comprised of the entire Group, and the segment figures are consistent with the Group figures. The company reports revenue from products and services by businesses: Network Services (e-invoicing solutions and services) and Solution Services (software solutions and services).

As of 2015, the company reports geographical areas as follows: Finland, EMEIA & Russia, and Americas & APAC. Comparative figures have been adjusted accordingly. Net sales are reported by the customer's location, and net sales and operating result are also reported by the location of the assets. In the annual financial statements, the geographical information of non-current assets is reported by the location of the assets.

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INFORMATION ON PRODUCTS AND SERVICES*

Net sales	1-3/	1-3/	Change,	1-12/
EUR thousand	2015	2014	%	2014
Network Services	11 112	8 002	38.9	33 237
Solution Services	22 928	23 011	-0.4	94 437
Group total	34 041	31 013	9.8	127 674

*The breakdown of the net sales of the businesses has been adjusted with regard to previously reported comparison periods due to changes in the organization structure

GEOGRAPHICAL INFORMATION**
Net sales by the location of customer

Net sales	1-3/	1-3/	Change,	1-12/
EUR thousand	2015	2014	%	2014
Finland	12 334	11 124	10.9	48 978
EMEA & Russia	18 105	16 289	11.1	63 628
Americas & APAC	3 601	3 599	0.1	15 068
Group total	34 041	31 013	9.8	127 674

Geographical information by the location of assets

Net sales	1-3/	1-3/	Change,	1-12/
EUR thousand	2015	2014	%	2014
Finland	20 921	17 993	16,3	73 353
EMEA & Russia	16 173	14 969	3,9	62 674
Americas & APAC	3 296	3 356	-2,0	14 425
Sales between areas	-6 349	-5 305	7,4	-22 778
Group total	34 041	31 013	9,8	127 674

Operating result	1-3/	1-3/	Change,	1-12/
EUR thousand	2015	2014	%	2014
Finland	428	-520		514
EMEA & Russia	749	807	-7.2	4 473
Americas & APAC	165	164	0.8	723
Operating result between areas	-210	-142	47.7	-1 385
Group total	1132	310	265.3	4 325

Personnel	1-3/	1-3/	Change,	1-12/
Employed, on average	2015	2014	%	2014
Finland	474	493	-3.9	482
EMEA & Russia	465	408	14.0	425
India	503	491	2.4	492
Americas & APAC	75	68	10.8	67
Group total	1516	1460	3.9	1 466

** As of 2015, the company reports geographical areas as follows: Finland, EMEA & Russia, and Americas & APAC. Comparative figures have been adjusted accordingly

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FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

EUR thousand	31.03.2015 Book value	31.03.2015 Fair value	31.03.2014 Book value	31.03.2014 Fair value	31.12.2014 Book Value	31.12.2014 Fair value
Financial assets						
Non-current:						
Available-for-sale financial assets	38	38	38	38	38	38
Non-current trade and other receivables	904	904	841	841	724	724
Current:						
Financial assets at fair value through profit or loss						
Currency swaps *	75	75	0	0	20	20
Current trade receivables	25 834	25 834	31 154	31 154	22 902	22 902
Current other receivables	34 423	34 423	5 653	5 653	33 204	33 204
Cash and cash equivalents	43 743	43 743	21 308	21 308	28 954	28 954
Financial liabilities						
Non-current:						
Financial liabilities valued at amortized acquisition cost:						
Loans from financial institutions, interest-bearing	0	0	3 333	3 333	1 667	1 667
Current:						
Financial liabilities at fair value through profit or loss						
Interest rate derivatives*	9	9	12	12	12	12
Loans from financial institutions, interest-bearing	3 333	3 333	3 333	3 333	3 333	3 333
Finance lease liabilities, interest-bearing	0	0	214	214	0	0
Trade payables and other liabilities	42 162	42 162	39 850	39 850	20 886	20 886

*not in hedge accounting, level 2

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COMMITMENTS AND CONTINGENT LIABILITIES

EUR thousand	31.03.2015	31.03.2014	31.12.2014
Own guarantees			
Business mortgages of own debts	1 200	1 200	1 200
Guarantees	205	0	205
Commitments on behalf of subsidiaries and group companies			
Guarantees	37	31	37
Other own guarantees			
Lease liabilities			
Current lease liabilities	943	1 007	992
Lease liabilities maturing in 1–5 years	976	909	1 014
Total	1 919	1 916	2 006
Other rental liabilities			
Current rental liabilities	5 056	3 825	5 365
Rental liabilities maturing in 1–5 years	6 966	7 327	7 584
Rental liabilities maturing later	1 782	2 259	2 037
Total	13 804	13 411	14 985
Other own contingent liabilities, total			
	15 723	15 327	16 991
Total commitments and contingent liabilities			
	17 165	16 558	18 433

RELATED PARTY TRANSACTIONS

EUR thousand	31.03.2015	31.03.2014	31.12.2014
Purchases of services	50	38	132

Basware Corporation and Softaforce Oy have an agreement related to outsourcing of procurement. The agreement is market-based.

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EVENTS AFTER THE REPORTING PERIOD

Basware Corporation signed on April 8, 2015 an agreement to acquire Procserve, the leading e-procurement solution provider for the public sector in the UK. The acquisition price is approximately EUR 25.9 million. In 2014, the net sales of the acquired business amounted to approximately EUR 9.6 million. Procserve employs 61 people. In 2015 the company expects the transaction and integration related costs to exceed the savings. In 2016 the company expects the cost synergies to be marginally net positive. The savings relate for example to the creation of joined IT infrastructure and facilities.

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GROUP QUARTERLY INCOME STATEMENT

EUR thousand	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
NET SALES	34 041	34 664	30 164	31 833	31 013
Other operating income	19	0	57	27	177
Materials and services	-4 009	-3 559	-3 200	-3 058	-2 978
Employee benefit expenses	-20 811	-20 803	-17 337	-19 561	-20 078
Depreciation and amortization	-1 658	-1 735	-1 760	-1 744	-1 789
Other operating expenses	-6 449	-6 865	-6 761	-6 345	-6 034
Operating profit	1 132	1 701	1 162	1 152	310
%	3.3 %	4.9%	3.9%	3.6%	1.0%
Finance income	565	923	-233	325	139
Finance expenses	-841	-420	34	-328	-438
Profit before tax	856	2 204	964	1 149	11
%	2.5 %	6.4%	3.2%	3.6%	0.0%
Income taxes	-261	-749	-187	-345	-87
RESULT FOR THE PERIOD	595	1 454	777	804	-76
%	1.7 %	4.2%	2.6%	2.5%	-0.2%

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GROUP KEY INDICATORS

EUR thousand	1-3/2015	1-3/2014	1-3/2013	1-12/2014
Net sales	34 041	31 013	29 828	127 674
Growth of net sales, %	9.8 %	4.0%	8.7%	3.5%
EBITDA	2 790	2 099	233	11 354
% of net sales	8.2 %	6.8%	0.8%	8.9%
Operating profit	1 132	310	-1 569	4 325
% of net sales	3.3 %	1.0%	-5.3%	3.4%
Growth of operating profit, %	265.3 %			29.8%
Result before tax	856	11	-1 526	4 328
% of net sales	2.5 %	0.0%	-5.1%	3.4%
Result for the period	595	-76	-962	2 959
% of net sales	1.7 %	-0.2%	-3.2%	2.3%
Return on equity, %	1.7 %	-0.3%	-3.9%	2.5%
Return on investment, %	4.7 %	1.7%	-4.9%	4.4%
Interest-bearing liabilities	3 333	6 893	10 492	5 000
Cash and cash equivalents	73 624**	21 308	23 276	28 954
Gearing, %	-50.2 %	-15.1%	-13.2%	-38.6%
Equity ratio, %	74.3 %	65.9%	63.7%	82.7%
Total assets	188 378	144 508	151 489	168 781
Gross investments*	2 175	1 300	19 219	5 821
% of net sales	6.4 %	4.2%	64.4%	4.6%
Capital expenditure	200	441	596	816
% of net sales	0.6 %	1.4%	2.0%	0.6%
Research and development costs	4 808	4 474	4 622	17 680
% of net sales	14.1 %	14.4%	15.5%	13.8%
R&D personnel at end of period	336	327	356	332
Personnel expenses	20 811	20 078	20 518	77 779
Personnel on average during the period	1516	1460	1 485	1 466
Personnel at end of period	1508	1441	1 486	1 493
Change in personnel, %	4.7%	-3.1%	19.4%	1.4%

*Includes acquisitions and capitalized R&D costs

**including the short term deposit maturing within 3 months from the period end

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Group Share Indicators	1-3/2015	1-3/2014	1-3/2013	1-12/2014
Earnings per share, undiluted	0.04	-0.01	-0.07	0.22
Earnings per share, diluted	0.04	-0.01	-0.07	0.22
Equity per share	9.89	7.40	7.51	9.88
Price per earnings (P/E)	951.43	-6 632.45	-269.72	184.31
Share price performance				
lowest price	35.98	23.50	19.30	23.50
highest price	41.22	41.00	21.69	41.21
average price	38.95	33.66	20.43	35.65
closing price	40.00	39.35	20.20	41.05
Market capitalization at end of period*	566 006 760	505 900 363	259 540 124	577 640 124
Share issue adjusted number of traded shares	845 281	2 451 217	312 873	4 792 273
% of average number of shares	6.0%	19.1%	2.4%	36.1%
Number of shares*				
- at end of the period	14 150 169	12 856 030	12 848 521	14 146 426
- average during the period	14 148 935	12 931 229	12 931 229	13 286 327
- average during the period, diluted	14 158 655	12 856 030	12 848 521	13 297 962

*Excluding treasury shares

SHARE AND SHAREHOLDERS

Basware Corporation's share capital totaled EUR 3 528 368.70 (3 528 368.70) at the end of the period and the number of shares was 14 221 229 (12 931 229). Basware Corporation holds 71 060 (74 803) of its own shares, corresponding to approximately 0.5 percent (0.6%) of the total number of shares.

Basware had 13 441 (13 793) shareholders at the end of the period, including 12 nominee-registered holdings (9). Nominee-registered holdings accounted for 26.9 percent (19.0%) of the total number of shares.

The company's Annual General Meeting of February 13, 2015, authorized the Board of Directors to decide on the repurchase of the company's own shares and on share issue as well as on the issuance of options and other special rights entitling to shares.

Additional information on shareholdings of the Executive Team and Board of Directors and major shareholders is available on the company's investor site at www.basware.com/investors.