

**BASWARE INTERIM REPORT JANUARY 1 – SEPTEMBER 30, 2015 (IFRS)****SUMMARY****Revenue developed favourably with key markets growing 95 percent****January–September 2015:**

- Net sales EUR 104 200 thousand (EUR 93 010 thousand) – growth 12.0 percent
- Operating profit EUR 371 thousand (EUR 2 624 thousand) – 0.4 percent of net sales (2.8%)
- Growth of Network Services net sales 46.4 percent
- Recurring revenue 68.2 percent (67.8%) of net sales
- Earnings per share (diluted) EUR 0.01 (0.11)

**July–September 2015:**

- Net sales EUR 33 569 thousand (EUR 30 164 thousand) – growth of 11.3 percent
- Operating profit EUR 996 thousand (EUR 1 162 thousand) – 3.0 percent of net sales (3.9%)
- Growth of Network Services net sales 48.3 percent
- Recurring revenue 72.2 percent (70.1%) of net sales
- Earnings per share (diluted) EUR 0.09 (0.05)

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              | 7-9/<br>2015 | 7-9/<br>2014 | Change,<br>% | 1-9/<br>2015 | 1-9/<br>2014 | Change,<br>% | 1-12/<br>2014 |
|---------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Net sales                 | 33 569       | 30 164       | 11.3         | 104 200      | 93 010       | 12.0         | 127674        |
| EBITDA                    | 2 823        | 2 923        | -3.4         | 5 678        | 7 918        | -28.3        | 11 354        |
| Operating profit          | 996          | 1 162        | -14.3        | 371          | 2 624        | -85.9        | 4 325         |
| % of net sales            | 3.0%         | 3.9%         |              | 0.4%         | 2.8%         |              | 3.4%          |
| Profit before tax         | 1 488        | 694          | 114.4        | 282          | 2 124        | -86.7        | 4 328         |
| Profit for the period     | 1 249        | 777          | 60.7         | 129          | 1 505        | -91.4        | 2 959         |
| Return on equity, %       | 3.6 %        | 2.6%         |              | 0.1 %        | 1.7%         |              | 2.5%          |
| Return on investment, %   | 3.8 %        | 3.0%         |              | 1.2 %        | 3.1%         |              | 4.4%          |
| Cash and cash equivalents | 36 824       | 60 156       | -38.8        | 36 824       | 60 156       | -38.8        | 28 954        |
| Gearing, %                | -25.5 %      | -39.3%       |              | -25.5 %      | -39.3%       |              | -38.6%        |
| Equity ratio, %           | 77.4 %       | 80.6%        |              | 77.4 %       | 80.6%        |              | 82.7%         |
| Earnings per share        |              |              |              |              |              |              |               |
| Undiluted, EUR            | 0.09         | 0.05         | 80.0         | 0.01         | 0.11         | -90.9        | 0.22          |
| Diluted, EUR              | 0.09         | 0.05         | 80.0         | 0.01         | 0.11         | -90.9        | 0.22          |
| Equity per share, EUR     | 9.73         | 9.90         | -18.7        | 9.73         | 9.90         | -18.7        | 9.88          |

## 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.

### CEO Esa Tihilä:

Revenue developed favourably also during the third quarter, growth of 11.3 percent year-on-year. Net sales for the third quarter amounted to EUR 33 569 thousand (EUR 30 164 thousand). The year-on-year growth in key markets was at a good level: net sales continued to grow strongly in the US, the UK and Germany, with combined revenue growth of 95 percent. Operating profit was EUR 996 thousand (EUR 1 162 thousand). The profit was burdened by continued investments in the selected key operations, such as Financing Services. The international share of Basware's net sales year-to-date totaled to 65.8 percent (62.1%) at the end of the period.

The Network Services sales grew well during the third quarter, supported both by the organic growth as

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well as the acquisition, which took place during the second quarter. The net sales of Network Services amounted to EUR 11 810 thousand (EUR 7 964 thousand) during the third quarter, growth of 48.3 percent year-on-year. The growth in the transaction volume continued, up 23 percent year-to-date, and a total of 68.8 million transactions were processed via Basware Commerce Network at the end of the period. The month-on-month growth from August to September reached an all-time high, and in September the network growth reached also an all-time-high, with 8.2 million processed transactions during the month. This marks also the milestone of 100 million annualized transactions sent and received across Basware Commerce Network. The significant growth of the network continued in the e-invoicing target markets, such as the US, the UK and Germany, while the growth was levelling off in some markets where the penetration is relatively high.

The Solution Services' order intake continued steadily during the third quarter, with a positive impact on future recurring revenue. The net sales of the Solution Services business amounted to EUR 21 758 thousand for the third quarter (EUR 22 200 thousand). The demand for SaaS services continued at a good level, represented by the SaaS revenue growth of 18.0 percent year-on-year. The billable utilization rate improved and there was an increasing number of Alusta sales agreements, 23 in total, during the quarter. The result was however impacted by the faster than expected decrease in license sales.

The Financing Services solutions, Basware Pay and Basware Discount, have continued to attract customer interest, and 12 customers in the UK, the US and Finland have signed for the new solutions during the quarter. Negotiations with several new international financial institutions on collaboration with Basware Pay are underway. The development of the joint venture in the UK and a new e-invoicing based, supplier driven invoice financing service with Arrowgrass Capital Partners LLP are proceeding as planned. Investments in and building the Financing Services business and services have continued.

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 acquisitions. Development of the Financing Services business and services and establishing and finding new significant partnerships in the business will continue actively during the latter part of 2015. The company also continues actively to develop ways to accelerate the global growth.

## NET SALES

Basware Group's net sales for the period amounted to EUR 104 200 thousand (EUR 93 010 thousand), growth of 12.0 percent. The net sales included higher alliance fees related to the financing-related value added services compared to the corresponding period.

Net sales for the third quarter increased by 11.3 percent to EUR 33 569 thousand (EUR 30 164 thousand).

### Information on products and services\*

| Net sales<br>EUR thousand | 7-9/<br>2015  | 7-9/<br>2014  | Change,<br>% | 1-9/<br>2015   | 1-9/<br>2014  | Change,<br>% | 1-12/<br>2014  |
|---------------------------|---------------|---------------|--------------|----------------|---------------|--------------|----------------|
| Network Services          | 11 810        | 7 964         | 48.3         | 35 219         | 24 061        | 46.4         | 33 237         |
| Solution Services         | 21 758        | 22 200        | -2.0         | 68 980         | 68 948        | 0.1          | 94 437         |
| <b>Group total</b>        | <b>33 569</b> | <b>30 164</b> | <b>11.3</b>  | <b>104 200</b> | <b>93 010</b> | <b>12.0</b>  | <b>127 674</b> |

\*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

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The Network Services net sales for the period amounted to EUR 35 219 thousand (EUR 24 061 thousand), growth of 46.4 percent, including an alliance fee of 3 million Euros related to the financing-related value added services. The growth in the transaction volume of the business continued, up 23 percent, and 68.8 million transactions were processed via Basware Commerce Network.

Solution Services net sales amounted to EUR 68 980 thousand (EUR 68 948 thousand), up 0.1 percent.

The share of recurring revenue of net sales increased during the period to 68.2 percent (67.8%) of net sales.

The international share of Basware's net sales was 65.8 percent (62.1%) in the period.

## FINANCIAL PERFORMANCE

Basware's operating profit for the period amounted to EUR 371 thousand (EUR 2 624 thousand). Operating profit represented 0.4 percent (2.8%) of net sales.

Basware's operating profit for the third quarter was EUR 996 thousand (EUR 1 162 thousand) Operating profit represented 3.0 percent (3.9%) of net sales.

The company's operating expenses including employee benefits, depreciations and amortizations as well as other operating expenses were EUR 91 550 thousand (EUR 81 409 thousand) in the period, and have increased by 12.5 percent from the corresponding period the previous year. Personnel expenses made up 69.1 percent (70.0%) or EUR 63 270 thousand (EUR 56 976 thousand) of the operating expenses. Bad debt provision at the end of the period amounted to EUR 798 thousand (EUR 1 560 thousand). Other operating expenses include acquisition-related and other non-recurring costs of EUR 2 671 thousand.

The company's finance income and finance expenses were EUR 559 thousand (EUR -500 thousand) for the period. During the second quarter, Basware and Arrowgrass Capital Partners LLP established a joint venture to develop a new e-invoicing based, supplier driven invoice financing service. Basware's share of the start-up costs of the new business totaled EUR -648 thousand.

Basware's profit before tax was EUR 282 thousand (EUR 2 124 thousand) and profit for the period was EUR 129 thousand (EUR 1505 thousand) or 0.1 percent (1.6%) of net sales. Taxes for the period totaled EUR 154 thousand (EUR 619 thousand). Following the tax audit in Basware's German subsidiary in 2011, and as announced in Interim report of October 10, 2012 and in Financial Statement Release in January 24, 2013 Basware applied for a mutual agreement procedure in which the competent German and Finnish authorities agree on the elimination of double taxation. In September 2015, the company was informed that an agreement has been reached between Germany and Finland. Company expects that the total amount of the tax refund will be confirmed by the end of this year.

Undiluted earnings per share were EUR 0.01 (EUR 0.11).

## FINANCING AND INVESTMENTS

Basware Group's total assets on the balance sheet at the end of the period were EUR 177 836 thousand (EUR 173 739 thousand). The company's cash and cash equivalents totaled EUR 36 824 thousand (EUR 60 156 thousand). The net cash flow from operations were EUR 12 407 thousand (EUR 13 942 thousand). Net cash flows from investments were EUR 207 thousand (EUR -3 256 thousand). Cash

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outflows related to the acquisition of Procserve, net of cash acquired, were EUR -20 389. Net cash flows from financing activities were -4 748 EUR thousand (EUR 35 999 thousand).

Equity ratio was 77.4 percent (80.6%) and gearing -25.5 percent (-39.3%). The company's interest-bearing liabilities totaled EUR 1 667 thousand (EUR 5 072 thousand), of which current liabilities accounted for EUR 1 667 thousand (EUR 3 477 thousand). Return on investment was 1.2 percent (3.1%) and return on equity 0.1 percent (1.7%).

Gross investments including Procserve acquisition as well as the capitalized research and development costs totaled EUR 34 855 thousand (EUR 3 872 thousand).

## RESEARCH AND DEVELOPMENT

Basware's research and development expenses totaled EUR 14 654 thousand (EUR 12 830 thousand), or 14.1 percent (13.8%) of net sales during the review period. The expenses increased by 10.8 percent compared to the corresponding period the previous year. Research and development expenses capitalized during the period amounted to EUR 5 865 thousand (EUR 2 853 thousand). The research and development costs included in the profit for the review period totaled EUR 8 789 thousand (EUR 9 977 thousand), or 8.4 percent (10.7%) of net sales. A total of 371 (330) people worked in R&D at the end of the period.

## PERSONNEL

Basware employed 1 594 (1 464) people on average during the period and 1 653 (1 456) at the end of the period.

Geographical division of personnel:

| Personnel          | 7-9/<br>Employed, on average | 7-9/<br>2015 | 7-9/<br>2014 | Change,<br>% | 1-9/<br>2015 | 1-9/<br>2014 | Change,<br>% | 1-12/<br>2014 |
|--------------------|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Finland            | 484                          | 484          | 483          | 0.2          | 478          | 476          | 0.5          | 482           |
| EMEIA              | 552                          | 552          | 416          | 32.7         | 520          | 428          | 21.5         | 425           |
| India              | 532                          | 532          | 490          | 8.6          | 521          | 494          | 5.5          | 492           |
| Americas & APAC    | 78                           | 78           | 67           | 16.4         | 75           | 66           | 13.6         | 67            |
| <b>Group total</b> | <b>1 646</b>                 | <b>1 646</b> | <b>1 456</b> | <b>13.0</b>  | <b>1 594</b> | <b>1 464</b> | <b>8.9</b>   | <b>1 466</b>  |

The share of personnel working in foreign units has increased compared with the previous year mainly due to the growth of personnel in India, Romania and the UK. At the end of the period, 70.4 percent (67.7%) of Basware personnel worked outside of Finland and 29.6 percent (32.3%) in Finland. 11.4 percent (12.1%) of the personnel work in sales and marketing, 58.8 percent (59.9%) in professional services, 22.7 percent (22.3%) in research and development, and 7.1 percent (6.2%) in administration.

The average age of employees is 35.0 (34.8) years. Women account for 26.2 percent (25.0%) of employees, men for 73.8 percent (75.0%).

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## OTHER EVENTS OF THE PERIOD

### Changes in Basware's Executive Team

Member of the Basware Executive Team, Chief Marketing Officer, Steve Muddiman took up a new position outside Basware as of September 30, 2015. The recruitment process for a new Chief Marketing Officer is ongoing.

## EVENTS AFTER THE PERIOD

### Shares represented by Arrowgrass Capital Partners LLP increased over 10 percent

The total number of shares represented by Arrowgrass Capital Partners LLP and its funds increased over 10 percent (11.31%) of Basware Corporation's share capital and voting rights on October 6, 2015. The notification was given to the company's information on October 7, 2015.

## 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.

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](http://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 operating expenses are expected to develop moderately, the company is actively managing its cost base and has initiated several productivity improvement programs during 2015. Seasonality affects Basware's business throughout the year, and typically the last quarter of the year has been the strongest quarter.

Basware will invest more extensively in sales and marketing as well as research and development of new solutions and services, including Financing 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 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.



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Espoo, Finland, Monday, October 12, 2015

BASWARE CORPORATION  
Board of Directors

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**SUMMARY OF FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS  
JANUARY 1 – SEPTEMBER 30, 2015**
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| EUR thousand  | 1.7.-<br>30.9.2015         | 1.7.-<br>30.9.2014         | Change,<br>%         | 1.1.-<br>30.9.2015         | 1.1.-<br>30.9.2014         | Change,<br>%         | 1.1.-<br>31.12.2014         |
|---|----------------------------|----------------------------|----------------------|----------------------------|----------------------------|----------------------|-----------------------------|
| <b>NET SALES</b>  | <b>33 569</b>              | <b>30 164</b>              | <b>11.3</b>          | <b>104 200</b>             | <b>93 010</b>              | <b>12.0</b>          | <b>127 674</b>              |
| Other operating income  | -3                         | 57                         |                      | 19                         | 260                        | -92.7                | 260                         |
| Materials and services  | -3 852                     | -3 200                     | 20.4                 | -12 298                    | -9 237                     | 33.1                 | -12 796                     |
| Employee benefit expenses   | -19 238                    | -17 337                    | 11.0                 | -63 270                    | -56 976                    | 11.0                 | -77 779                     |
| Depreciation and amortization   | -1 827                     | -1 760                     | 3.8                  | -5 306                     | -5 294                     | 0.2                  | -7 029                      |
| Other operating expenses  | -7 654                     | -6 761                     | 13.2                 | -22 973                    | -19 139                    | 20.0                 | -26 004                     |
| <b>Operating profit</b>   | <b>996</b>                 | <b>1 162</b>               | <b>-14.3</b>         | <b>371</b>                 | <b>2 624</b>               | <b>-85.9</b>         | <b>4 325</b>                |
| Finance income  | 609                        | -233                       |                      | 1 632                      | 231                        | 606.5                | 1 154                       |
| Finance expenses  | 87                         | 34                         | 155.8                | -1 073                     | -731                       | 46.8                 | -1 151                      |
| Share of results of a joint venture   | -205                       | 0                          | -100                 | -648                       | 0                          | -100                 | 0                           |
| <b>Profit before tax</b>  | <b>1 488</b>               | <b>964</b>                 | <b>54.4</b>          | <b>282</b>                 | <b>2 124</b>               | <b>-86.7</b>         | <b>4 328</b>                |
| Income taxes  | -240                       | -187                       | 28.3                 | -154                       | -619                       | -75.1                | -1 368                      |
| <b>PROFIT FOR THE PERIOD</b>  | <b>1 249</b>               | <b>777</b>                 | <b>60.7</b>          | <b>129</b>                 | <b>1 505</b>               | <b>-91.4</b>         | <b>2 959</b>                |
| <b>Other comprehensive income</b>   |                            |                            |                      |                            |                            |                      |                             |
| <b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b> |                            |                            |                      |                            |                            |                      |                             |
| Exchange differences on translating foreign operations  | -2 606                     | 848                        |                      | -1011                      | 958                        |                      | -684                        |
| Income tax relating to components of other comprehensive income                               | 145                        | -169                       |                      | -202                       | -238                       | -15.1                | -279                        |
| Other comprehensive income, net of tax  | -2 641                     | 679                        |                      | -1213                      | 719                        |                      | -963                        |
| <b>TOTAL COMPREHENSIVE INCOME</b>   | <b>-1 212</b>              | <b>1 456</b>               |                      | <b>-1 084</b>              | <b>2 224</b>               |                      | <b>1 996</b>                |
| <b>EUR thousand</b>   | <b>1.7.-<br/>30.9.2015</b> | <b>1.7.-<br/>30.9.2014</b> | <b>Change,<br/>%</b> | <b>1.1.-<br/>30.9.2015</b> | <b>1.1.-<br/>30.9.2014</b> | <b>Change,<br/>%</b> | <b>1.1.-<br/>31.12.2014</b> |
| <b>Profit attributable to:</b>  |                            |                            |                      |                            |                            |                      |                             |
| Equity holders of the parent company  | 1 249                      | 777                        | 60.7                 | 129                        | 1 505                      | -91.4                | 2 959                       |
|   | <b>1 249</b>               | <b>777</b>                 | <b>60.7</b>          | <b>129</b>                 | <b>1 505</b>               | <b>-91.4</b>         | <b>2 959</b>                |
| <b>Total comprehensive income attributable to:</b>  |                            |                            |                      |                            |                            |                      |                             |
| Equity holders of the parent company  | -1 212                     | 1 456                      |                      | -1 084                     | 2 224                      |                      | 1 996                       |
|   | <b>-1 212</b>              | <b>1 456</b>               |                      | <b>-1 084</b>              | <b>2 224</b>               |                      | <b>1 996</b>                |
| <b>Earnings per share</b>   |                            |                            |                      |                            |                            |                      |                             |
| undiluted, EUR  | 0.09                       | 0.05                       | 80.0                 | 0.01                       | 0.11                       | -90.9                | 0.22                        |
| diluted, EUR  | 0.09                       | 0.05                       | 80.0                 | 0.01                       | 0.11                       | -90.9                | 0.22                        |

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| EUR thousand                           | 30.9.2015      | 30.9.2014      | Change, %    | 31.12.2014     |
|--|----------------|----------------|--------------|----------------|
| <b>ASSETS</b>                          |                |                |              |                |
| <b>Non-current assets</b>              |                |                |              |                |
| Intangible assets                      | 33 863         | 24 949         | 35.7         | 25 231         |
| Goodwill                               | 69 176         | 51 240         | 35.0         | 50 317         |
| Tangible assets                        | 1 439          | 1 396          | 3.1          | 1 387          |
| Share of investment in a joint venture | 577            | 0              | 100          | 0              |
| Available-for-sale investments         | 37             | 45             | -17.8        | 38             |
| Trade and other receivables            | 1 104          | 864            | 27.8         | 724            |
| Deferred tax assets                    | 5 458          | 4 090          | 33.5         | 4 377          |
| <b>Non-current assets</b>              | <b>111 655</b> | <b>82 584</b>  | <b>35.2</b>  | <b>82 074</b>  |
| <b>Current assets</b>                  |                |                |              |                |
| Inventories                            | 26             | 153            | -83.0        | 42             |
| Trade receivables                      | 22 704         | 24 255         | -6.4         | 22 902         |
| Other receivables                      | 4 981          | 2 703          | 84.3         | 33 204         |
| Income tax receivables                 | 1 646          | 3 888          | -57.7        | 1 605          |
| Cash and cash equivalents              | 36 824         | 60 156         | -38.8        | 28 954         |
| <b>Current assets</b>                  | <b>66 181</b>  | <b>91 156</b>  | <b>-27.4</b> | <b>86 707</b>  |
| <b>ASSETS</b>                          | <b>177 836</b> | <b>173 739</b> | <b>2.4</b>   | <b>168 781</b> |

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| EUR thousand                            | 30.9.2015      | 30.9.2014      | Change, %   | 31.12.2014     |
|---|----------------|----------------|-------------|----------------|
| <b>EQUITY AND LIABILITIES</b>           |                |                |             |                |
| <b>Shareholders' equity</b>             |                |                |             |                |
| Share capital                           | 3 528          | 3 528          | 0.0         | 3 528          |
| Share premium account                   | 1 187          | 1 187          | 0.0         | 1 187          |
| Treasury shares                         | -1 108         | -1 156         | 4.1         | -1 156         |
| Invested unrestricted equity fund       | 104 334        | 104 384        | 0.1         | 104 381        |
| Other reserves                          | 540            | 540            | 0.0         | 540            |
| Translation differences                 | -4 134         | -1 238         | 233.8       | -2 921         |
| Retained earnings                       | 33 328         | 32 765         | 1.7         | 34 184         |
| <b>Shareholders' equity</b>             | <b>137 675</b> | <b>140 011</b> | <b>-1.7</b> | <b>139 745</b> |
| <b>Non-current liabilities</b>          |                |                |             |                |
| Deferred tax liability                  | 4 206          | 2 469          | 70.4        | 2 433          |
| Interest-bearing liabilities            | 0              | 1 667          | -100.0      | 1 667          |
| Other non-current financial liabilities | 582            | 385            | 51.2        | 315            |
| <b>Non-current liabilities</b>          | <b>4 788</b>   | <b>4 521</b>   | <b>5.9</b>  | <b>4 415</b>   |
| <b>Current liabilities</b>              |                |                |             |                |
| Interest-bearing liabilities            | 1 667          | 3 405          | -51.0       | 3 333          |
| Trade payables and other liabilities    | 33 444         | 25 686         | 30.2        | 20 886         |
| Income tax liabilities                  | 263            | 117            | 124.8       | 403            |
| <b>Current liabilities</b>              | <b>35 374</b>  | <b>29 208</b>  | <b>21.1</b> | <b>24 622</b>  |
| <b>EQUITY AND LIABILITIES</b>           | <b>177 836</b> | <b>173 739</b> | <b>2.4</b>  | <b>168 781</b> |

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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          |
|-----------------------------|---------------|-----------------------|-----------------|---------------------------|----------------|-------------------------|-------------------|----------------|
| <b>SHAREHOLDERS' EQUITY</b> |               |                       |                 |                           |                |                         |                   |                |
| <b>1.1.2015</b>             | <b>3 528</b>  | <b>1 187</b>          | <b>-1 156</b>   | <b>104 381</b>            | <b>540</b>     | <b>-2 921</b>           | <b>34 184</b>     | <b>139 746</b> |
| Comprehensive income        |               |                       |                 |                           |                | -1 213                  | 129               | -1 084         |
| Dividend distribution       |               |                       |                 |                           |                |                         | -1 415            | -1 415         |
| Share based payments        |               |                       |                 |                           |                |                         | 430               | 430            |
| Treasury shares issued*     |               |                       | 48              | -48                       |                |                         |                   | 0              |
| <b>SHAREHOLDERS' EQUITY</b> |               |                       |                 |                           |                |                         |                   |                |
| <b>30.9.2015</b>            | <b>3 528</b>  | <b>1 187</b>          | <b>-1 108</b>   | <b>104 334</b>            | <b>540</b>     | <b>-4 134</b>           | <b>33 328</b>     | <b>137 675</b> |

| EUR thousand                | Share capital | Share premium account | Treasury shares | Inv. un-restricted equity | Other reserves | Translation differences | Retained earnings | Total          |
|-----------------------------|---------------|-----------------------|-----------------|---------------------------|----------------|-------------------------|-------------------|----------------|
| <b>SHAREHOLDERS' EQUITY</b> |               |                       |                 |                           |                |                         |                   |                |
| <b>1.1.2014</b>             | <b>3 528</b>  | <b>1 187</b>          | <b>-1 164</b>   | <b>61 748</b>             | <b>540</b>     | <b>-1 958</b>           | <b>34 074</b>     | <b>97 956</b>  |
| Comprehensive income        |               |                       |                 |                           |                | 719                     | 1 505             | 2 224          |
| Dividend distribution       |               |                       |                 |                           |                |                         | -2 957            | -2 957         |
| Share based payments        |               |                       |                 | 43 644                    |                |                         | 143               | 143            |
| Treasury shares issued*     |               |                       | 8               | -8                        |                |                         |                   | 0              |
| <b>SHAREHOLDERS' EQUITY</b> |               |                       |                 |                           |                |                         |                   |                |
| <b>30.9.2014</b>            | <b>3 528</b>  | <b>1 187</b>          | <b>-1 156</b>   | <b>104 384</b>            | <b>540</b>     | <b>-1 743</b>           | <b>32 765</b>     | <b>140 011</b> |

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

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

| EUR thousand   | 1.1.-30.9.2015 | 1.1.-30.9.2014 | 1.1.-31.12.2014 |
|--|----------------|----------------|-----------------|
| <b>Cash flows from operating activities</b>          |                |                |                 |
| Profit for the period                                | 129            | 1 505          | 2 959           |
| Adjustments  | 5 728          | 6 505          | 8 460           |
| Working capital changes                              | 7 472          | 8 463          | 5 191           |
| Financial items in operating activities              | -10            | -341           | -938            |
| Income taxes paid                                    | -912           | -2 189         | -762            |
| <b>Cash flows from operating activities</b>          | <b>12 407</b>  | <b>13 942</b>  | <b>14 912</b>   |
| <b>Cash flows used in investing activities</b>       |                |                |                 |
| Purchase of tangible and intangible assets           | -8 059         | -3 856         | -6 517          |
| Acquisition of subsidiaries and businesses           | -20 389        | 0              | 0               |
| Investment made to a joint venture                   | -1 226         | 0              | 0               |
| Short-term deposits                                  | 0              | 0              | -30 000         |
| Repayment of loan receivables                        | 29 881         | 600            | 600             |
| <b>Cash flows used in investing activities</b>       | <b>207</b>     | <b>-3 256</b>  | <b>-35 917</b>  |
| <b>Cash flows from financing activities</b>          |                |                |                 |
| Proceeds from current borrowings                     | 12 500         | 0              | 0               |
| Repayment of current borrowings                      | -14 167        | 0              | 0               |
| Share issue  | 0              | 42 502         | 43 215          |
| Repayments of non-current borrowings                 | -1 667         | -3 333         | -3 333          |
| Payments of finance lease liabilities                | 0              | -213           | -284            |
| Dividends paid                                       | -1 415         | -2 957         | -2 957          |
| <b>Cash flows from financing activities</b>          | <b>-4 748</b>  | <b>35 999</b>  | <b>36 640</b>   |
| <b>Net change in cash and cash equivalents</b>       | <b>7 866</b>   | <b>46 685</b>  | <b>15 635</b>   |
| Cash and cash equivalents at the beginning of period | 28 954         | 13 218         | 13 218          |
| Net foreign exchange difference                      | 3              | 253            | 101             |
| Cash and cash equivalents at the end of period       | 36 824         | 60 156         | 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.

Basware has a 50 percent interest in a joint venture which was established with Arrowgrass Capital Partners LLP in the UK to develop a new e-invoicing based, supplier driven invoice financing service. Basware has determined its interest in the joint venture to be accounted for using the equity method. Basware's share of results of the joint venture is presented as a separate line item in the consolidated statement of comprehensive income and consolidated statement of financial position.

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. Revenue from products and services is reported 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 and purchase message exchange. It contains activation services, professional services and start up fees related to these 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 from financing-related value added services of non-recurring nature are not included in the recurring revenue. The definition of the recurring revenue has been revisited in 2015 to reflect the current business structure.

As of January 1, 2015, Basware has reported geographical areas Finland, EMEIA, 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 combines Scandinavia and the rest of Europe, previously reported separately, and it also includes operations in Russia and Africa. Americas & APAC includes business operations 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 profit 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.

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.

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## BUSINESS COMBINATIONS

On April 8, 2015 Basware acquired the shares of Procsolve, the UK's leading e-procurement solution provider. As part of its strategy, Basware continuously supports organic growth with acquisitions in its key markets and this acquisition made Basware the market leader for the public sector in the UK. The acquired business has been consolidated into Basware's result from the acquisition date. The consideration of EUR 25 753 thousand was paid in cash. The acquired net assets amount to approximately EUR 6 204 thousand, including the cash reserves of EUR 5 497 thousand. Approximately EUR 6 333 thousand associated with customer relationships have been allocated to intangible assets. The value associated with customer relationships will be amortized in 10 years, starting from the second quarter of 2015. The goodwill of EUR 19 545 thousand is recognized primarily to be attributing to the expected synergies with Procsolve's and Basware's cloud-based e-procurement solutions as well as Procsolve Commerce Network and the open Basware Commerce Network. The goodwill is non-deductible for income tax purposes. The calculation concerning the allocation of the purchase price is preliminary. Transaction costs of EUR 1 452 thousand are included in other operating expenses in the consolidated statement of comprehensive income and are part of the operating cash flows in the consolidated statement of cash flows.

### The values of acquired assets and liabilities as at the date of acquisition were:

| EUR thousand                |               |
|-----------------------------|---------------|
| Intangible assets           | 6 422         |
| Tangible assets             | 55            |
| Trade and other receivables | 1 256         |
| Cash and cash equivalents   | 5 497         |
| <b>Total assets</b>         | <b>13 231</b> |
| Trade and other payables    | 7 025         |
| <b>Total liabilities</b>    | <b>7 025</b>  |
| <b>Net assets</b>           | <b>6 204</b>  |
| Goodwill                    | 19 545        |
| <b>Consideration</b>        | <b>25 753</b> |

### Analysis of cash flows on acquisition:

| EUR thousand                           |                |
|--|----------------|
| Consideration                          | -25 753        |
| Cash and cash equivalents in Procsolve | 5 497          |
| Transaction costs                      | -1 452         |
| <b>Net cash flow on acquisition</b>    | <b>-21 708</b> |

The net sales of the acquired business included in the Group income statement since acquisition date were EUR 5 355 thousand and result for the period was EUR -304 thousand. The Group net sales would have totaled EUR 106 825 thousand and result for the period EUR 19 thousand, if the business combination had taken place at the beginning of the year.

## 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).



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**INFORMATION ON PRODUCTS AND SERVICES\***

| Net sales<br>EUR thousand | 7-9/<br>2015  | 7-9/<br>2014  | Change,<br>% | 1-9/<br>2015   | 1-9/<br>2014  | Change,<br>% | 1-12/<br>2014  |
|---------------------------|---------------|---------------|--------------|----------------|---------------|--------------|----------------|
| Network Services          | 11 810        | 7 964         | 48.3         | 35 219         | 24 061        | 46.4         | 33 237         |
| Solution Services         | 21 758        | 22 200        | -2.0         | 68 980         | 68 948        | 0.1          | 94 437         |
| <b>Group total</b>        | <b>33 569</b> | <b>30 164</b> | <b>11.3</b>  | <b>104 200</b> | <b>93 010</b> | <b>12.0</b>  | <b>127 674</b> |

\*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<br>EUR thousand | 7-9/<br>2015  | 7-9/<br>2014  | Change,<br>% | 1-9/<br>2015   | 1-9/<br>2014  | Change,<br>% | 1-12/<br>2014  |
|---------------------------|---------------|---------------|--------------|----------------|---------------|--------------|----------------|
| Finland                   | 10 992        | 11 525        | -4.6         | 35 646         | 35 254        | 1.1          | 48 978         |
| EMEIA                     | 17 692        | 14 963        | 18.2         | 55 129         | 46 620        | 18.3         | 63 628         |
| Americas & APAC           | 4 885         | 3 675         | 32.9         | 13 425         | 11 135        | 20.6         | 15 068         |
| <b>Group total</b>        | <b>33 569</b> | <b>30 164</b> | <b>11.3</b>  | <b>104 200</b> | <b>93 010</b> | <b>12.0</b>  | <b>127 674</b> |

**Geographical information by the location of assets**

| Net sales<br>EUR thousand | 7-9/<br>2015  | 7-9/<br>2014  | Change,<br>% | 1-9/<br>2015   | 1-9/<br>2014  | Change,<br>% | 1-12/<br>2014  |
|---------------------------|---------------|---------------|--------------|----------------|---------------|--------------|----------------|
| Finland                   | 17 518        | 17 110        | 2.4          | 57 166         | 53 224        | 7.4          | 73 353         |
| EMEIA                     | 15 712        | 14 035        | 11.9         | 49 189         | 45 849        | 7.3          | 62 674         |
| Americas & APAC           | 4 888         | 3 430         | 42.5         | 12 835         | 10 320        | 24.4         | 14 425         |
| Between areas             | -4 549        | -4 412        | 3.1          | -14 991        | -16 384       | -8.5         | -22 778        |
| <b>Group total</b>        | <b>33 569</b> | <b>30 164</b> | <b>11.3</b>  | <b>104 200</b> | <b>93 010</b> | <b>12.0</b>  | <b>127 674</b> |

| Operating result<br>EUR thousand | 7-9/<br>2015 | 7-9/<br>2014 | Change,<br>% | 1-9/<br>2015 | 1-9/<br>2014 | Change,<br>% | 1-12/<br>2014 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Finland                          | -308         | 1 106        |              | -1 685       | 510          |              | 514           |
| EMEIA                            | 1 387        | 1 139        | 21.8         | 2 460        | 3 234        | -23.9        | 4 473         |
| Americas & APAC                  | 248          | 148          | 67.8         | 643          | 519          | 23.9         | 723           |
| Between areas                    | -331         | -1 230       | -73.1        | -1 047       | -1 638       | -36.1        | -1 385        |
| <b>Group total</b>               | <b>996</b>   | <b>1 162</b> | <b>-14.3</b> | <b>371</b>   | <b>2 624</b> | <b>-85.8</b> | <b>4 325</b>  |

| Personnel<br>Employed, on average | 7-9/<br>2015 | 7-9/<br>2014 | Change,<br>% | 1-9/<br>2015 | 1-9/<br>2014 | Change,<br>% | 1-12/<br>2014 |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Finland                           | 484          | 483          | 0.2          | 478          | 476          | 0.4          | 482           |
| EMEIA (excluding India)           | 552          | 416          | 32.7         | 520          | 428          | 21.5         | 425           |
| India                             | 532          | 490          | 8.6          | 521          | 494          | 5.5          | 492           |
| Americas & APAC                   | 78           | 67           | 16.4         | 75           | 66           | 13.6         | 67            |
| <b>Group total</b>                | <b>1 646</b> | <b>1 456</b> | <b>13.0</b>  | <b>1 594</b> | <b>1 464</b> | <b>8.9</b>   | <b>1 466</b>  |

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

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**FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES**

| EUR thousand  | 30.09.2015<br>Book value | 30.09.2015<br>Fair value | 30.09.2014<br>Book value | 30.09.2014<br>Fair value | 31.12.2014<br>Book Value | 31.12.2014<br>Fair value |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>Financial assets</b>                                     |                          |                          |                          |                          |                          |                          |
| Non-current:  |                          |                          |                          |                          |                          |                          |
| Available-for-sale financial assets                         | 38                       | 38                       | 45                       | 45                       | 38                       | 38                       |
| Non-current trade and other receivables                     | 1 104                    | 1 104                    | 864                      | 864                      | 724                      | 724                      |
| Current:  |                          |                          |                          |                          |                          |                          |
| Financial assets at fair value through profit or loss       |                          |                          |                          |                          |                          |                          |
| Currency swaps *  | 0                        | 0                        | 0                        | 0                        | 20                       | 20                       |
| Current trade receivables                                   | 22 586                   | 22 586                   | 24 255                   | 24 255                   | 22 902                   | 22 902                   |
| Current other receivables                                   | 4 981                    | 4 981                    | 2 703                    | 2 703                    | 33 204                   | 33 204                   |
| Cash and cash equivalents                                   | 36 824                   | 36 824                   | 60 156                   | 60 156                   | 28 954                   | 28 954                   |
| <b>Financial liabilities</b>                                |                          |                          |                          |                          |                          |                          |
| Non-current:  |                          |                          |                          |                          |                          |                          |
| Financial liabilities valued at amortized acquisition cost: |                          |                          |                          |                          |                          |                          |
| Loans from financial institutions, interest-bearing         | 0                        | 0                        | 1 667                    | 1 667                    | 1 667                    | 1 667                    |
| Current:  |                          |                          |                          |                          |                          |                          |
| Financial liabilities at fair value through profit or loss  |                          |                          |                          |                          |                          |                          |
| Interest rate derivatives*                                  | 0                        | 0                        | 17                       | 17                       | 12                       | 12                       |
| Loans from financial institutions, interest-bearing         | 1 667                    | 1 667                    | 3 333                    | 3 333                    | 3 333                    | 3 333                    |
| Finance lease liabilities, interest-bearing                 | 0                        | 0                        | 72                       | 72                       | 0                        | 0                        |
| Trade payables and other liabilities                        | 33 444                   | 33 444                   | 25 686                   | 25 686                   | 20 886                   | 20 886                   |

\*not in hedge accounting, level 2

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**COMMITMENTS AND CONTINGENT LIABILITIES**

| EUR thousand   | 30.09.2015    | 30.09.2014    | 31.12.2014    |
|--|---------------|---------------|---------------|
| <b>Own guarantees</b>  |               |               |               |
| Business mortgages of own debts                                  | 1 200         | 1 200         | 1 200         |
| Guarantees   | 205           | 0             | 205           |
| <b>Commitments on behalf of subsidiaries and group companies</b> |               |               |               |
| Guarantees   | 37            | 68            | 37            |
| <b>Other own guarantees</b>                                      |               |               |               |
| Lease liabilities  |               |               |               |
| Current lease liabilities  | 1 016         | 891           | 992           |
| Lease liabilities maturing in 1–5 years                          | 1 224         | 753           | 1 014         |
| <b>Total</b>   | <b>2 241</b>  | <b>1 643</b>  | <b>2 006</b>  |
| Other rental liabilities   |               |               |               |
| Current rental liabilities                                       | 5 540         | 3 647         | 5 365         |
| Rental liabilities maturing in 1–5 years                         | 7 581         | 5 861         | 7 584         |
| Rental liabilities maturing later                                | 1 273         | 1 848         | 2 037         |
| <b>Total</b>   | <b>14 393</b> | <b>11 356</b> | <b>14 985</b> |
| <b>Other own contingent liabilities, total</b>                   |               |               |               |
|  | <b>16 634</b> | <b>13 036</b> | <b>16 991</b> |
| <b>Total commitments and contingent liabilities</b>              |               |               |               |
|  | <b>18 076</b> | <b>14 267</b> | <b>18 433</b> |

**RELATED PARTY TRANSACTIONS**

| EUR thousand                 | 30.09.2015 | 30.09.2014 | 31.12.2014 |
|------------------------------|------------|------------|------------|
| <b>Joint venture:</b>        |            |            |            |
| <b>Sales</b>                 | 291        | 0          | 0          |
| <b>Trade Receivables</b>     | 202        | 0          | 0          |
| <b>Softaforce:</b>           |            |            |            |
| <b>Purchases of services</b> | 117        | 132        | 132        |
| <b>Trade payables</b>        | 0          | 2          | 0          |

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**GROUP QUARTERLY INCOME STATEMENT**

| EUR thousand                        | 7-9/2015      | 4-6/2015      | 1-3/2015      | 10-12/2014    | 7-9/2014      | 4-6/2014      |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>NET SALES</b>                    | <b>33 569</b> | <b>36 590</b> | <b>34 041</b> | <b>34 664</b> | <b>30 164</b> | <b>31 833</b> |
| Other operating income              | -3            | 3             | 19            | 0             | 57            | 26            |
| Materials and services              | -3 852        | -4 437        | -4 009        | -3 559        | -3 200        | -3 057        |
| Employee benefit expenses           | -19 238       | -23 221       | -20 811       | -20 803       | -17 337       | -19 561       |
| Depreciation and amortization       | -1 827        | -1 822        | -1 658        | -1 735        | -1 760        | -1 744        |
| Other operating expenses            | -7 654        | -8 870        | -6 449        | -6 865        | -6 761        | -6 345        |
| <b>Operating result</b>             | <b>996</b>    | <b>-1 757</b> | <b>1 132</b>  | <b>1 701</b>  | <b>1 162</b>  | <b>1 152</b>  |
| %                                   | 3.0%          | -4.8%         | 3.3%          | 4.9%          | 3.9%          | 3.6%          |
| Finance income                      | 609           | 458           | 565           | 923           | -233          | 325           |
| Finance expenses                    | 87            | -319          | -841          | -420          | 34            | -328          |
| Share of results of a joint venture | -205          | -444          | 0             | 0             | 0             | 0             |
| <b>Result before tax</b>            | <b>1 488</b>  | <b>-2 062</b> | <b>856</b>    | <b>2 204</b>  | <b>964</b>    | <b>1 149</b>  |
| %                                   | 4.4%          | -5.6%         | 2.5%          | 6.4%          | 3.2%          | 3.6%          |
| Income taxes                        | -240          | 347           | -261          | -749          | -187          | -345          |
| <b>RESULT FOR THE PERIOD</b>        | <b>1 249</b>  | <b>-1 715</b> | <b>595</b>    | <b>1 454</b>  | <b>777</b>    | <b>804</b>    |
| %                                   | 3.7 %         | -4.7%         | 1.7%          | 4.2%          | 2.6%          | 2.5%          |

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**GROUP KEY INDICATORS**

| EUR thousand                           | 1-9/2015 | 1-9/2014 | 1-9/2013 | 1-12/2014 |
|--|----------|----------|----------|-----------|
| Net sales                              | 104 200  | 93 010   | 90 300   | 127 674   |
| Growth of net sales, %                 | 12.0 %   | 3.0%     | 8.4%     | 3.5%      |
| EBITDA                                 | 5 678    | 7 918    | 6 504    | 11 354    |
| % of net sales                         | 5.4 %    | 8.5%     | 7.2%     | 8.9%      |
| Operating profit                       | 371      | 2 624    | 1 201    | 4 325     |
| % of net sales                         | 0.4 %    | 2.8%     | 1.3%     | 3.4%      |
| Growth of operating profit, %          | -85.9 %  |          |          | 29.8%     |
| Profit before tax                      | 282      | 2 124    | 1 130    | 4 328     |
| % of net sales                         | 0.3 %    | 2.3%     | 1.3%     | 3.4%      |
| Result for the period                  | 129      | 1 505    | 350      | 2 959     |
| % of net sales                         | 0.1      | 1.6%     | 0.4%     | 2.3%      |
| Return on equity, %                    | 0.1 %    | 1.7%     | 0.5%     | 2.5%      |
| Return on investment, %                | 1.2 %    | 3.1%     | 2.3%     | 4.4%      |
| Interest-bearing liabilities           | 1 667    | 5 072    | 8 693    | 5 000     |
| Cash and cash equivalents              | 36 824   | 60 156   | 15 124   | 28 954    |
| Gearing, %                             | -25.5 %  | -39.3%   | -6.7%    | -38.6%    |
| Equity ratio, %                        | 77.4 %   | 80.6%    | 73.1%    | 82.7%     |
| Total assets                           | 177 836  | 173 739  | 131 968  | 168 781   |
| Gross investments*                     | 34 855   | 3 872    | 19 458   | 5 821     |
| % of net sales                         | 33.5 %   | 4.2%     | 21.5%    | 4.6%      |
| Capital expenditure                    | 681      | 608      | 960      | 816       |
| % of net sales                         | 0.7 %    | 0.7 %    | 1.1%     | 0.6%      |
| Research and development expenses      | 14 654   | 12 830   | 12 571   | 17 680    |
| % of net sales                         | 14.1%    | 13.8%    | 13.9%    | 13.8%     |
| R&D personnel at end of period         | 371      | 330      | 356      | 332       |
| Personnel expenses                     | 63 270   | 56 976   | 57 593   | 77 779    |
| Personnel on average during the period | 1 570    | 1 464    | 1 487    | 1 466     |
| Personnel at end of period             | 1 653    | 1 480    | 1 476    | 1 493     |
| Change in personnel, %                 | 11.7 %   | 0.3%     | 6.3%     | 1.4%      |

\*Including acquisitions and capitalized R&D costs

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| Group Share Indicators                       | 1-9/2015    | 1-9/2014    | 1-9/2013    | 1-12/2014   |
|--|-------------|-------------|-------------|-------------|
| Earnings per share, undiluted                | 0.01        | 0.11        | 0.03        | 0.22        |
| Earnings per share, diluted                  | 0.01        | 0.11        | 0.03        | 0.22        |
| Equity per share                             | 9.73        | 9.90        | 7.46        | 9.88        |
| Price per earnings (P/E)                     | 4 295.18    | 369.94      | 796.91      | 184.31      |
| Share price performance                      |             |             |             |             |
| lowest price                                 | 35.98       | 23.50       | 18.70       | 23.50       |
| highest price                                | 47.80       | 41.00       | 23.10       | 41.21       |
| average price                                | 40.32       | 34.89       | 19.39       | 35.65       |
| closing price                                | 39.09       | 39.35       | 21.70       | 41.05       |
| Market capitalization at end of period*      | 555 907 842 | 556 661 863 | 278 812 906 | 577 640 124 |
| Share issue adjusted number of traded shares | 2 442 089   | 4 012 169   | 679 872     | 4 792 273   |
| % of average number of shares                | 17.3%       | 28.4%       | 5.3%        | 36.1%       |
| Number of shares*                            |             |             |             |             |
| - at end of the period                       | 14 152 703  | 14 221 229  | 12 931 229  | 14 146 426  |
| - average during the period                  | 14 150 374  | 14 146 294  | 12 848 521  | 13 286 327  |
| - average during the period, diluted         | 14 170 127  | 14 130 135  | 12 848 521  | 13 297 962  |

\*Excluding treasury shares

## SHARE AND SHAREHOLDERS

Basware Corporation's share capital totaled EUR 3 528 369 (3 528 369) at the end of the period and the number of shares was 14 221 229 (14 221 229). Basware Corporation holds 70 855 (74 803) of its own shares, corresponding to approximately 0.5 percent (0.6%) of the total number of shares.

Basware had 13 116 (13 815) shareholders at the end of the period, including 12 nominee-registered holdings (11). Nominee-registered holdings accounted for 30.3 percent (19.1%) 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](http://www.basware.com/investors).