

April 15, 2010

BASWARE INTERIM REPORT JANUARY 1 – MARCH 31, 2010 (IFRS)

SUMMARY

January-March

- Net sales EUR 23 132 thousand (EUR 21 717 thousand) – growth 6.5 percent
- Operating profit EUR 2 136 thousand (EUR 1 592 thousand) – growth 34.2 percent
- Operating profit 9.2 percent of net sales (7.3%)
- International operations accounted for 53.8 percent of net sales (52.5%) – growth 9.2 percent
- Automation Services increased by 77.8 percent
- Cash flows from operating activities were EUR 11 115 thousand (EUR 8 423 thousand)
- Earnings per share EUR 0.14 (0.06) – growth 144.4 percent

Basware expects its net sales for 2010 to develop positively on the level of 2009. Operating profit (EBIT) for 2010 is expected to be from 10 to 15 percent of net sales.

The interim report is unaudited.

GROUP KEY FIGURES

EUR thousand	1–3/ 2010	1–3/ 2009	Change, %	1–12/ 2009
Net sales	23 132	21 717	6.5%	92 654
EBITDA	3 373	2 596	29.9%	16 280
Operating profit before IFRS3 amortization	2 692	2 033	32.4%	13 788
Operating profit	2 136	1 592	34.2%	11 824
% of net sales	9.2%	7.3%		12.8 %
Profit before tax	2 142	1 484	44.3%	11 590
Profit for the period	1 582	666	137.6%	9 074
Return on equity, %	11.2%	5.5%		17.2 %
Return on investment, %	14.1%	11.3%		18.8 %
Liquid assets *)	16 351	11 460	42.7%	12 210
Gearing, %	-19.4%	-0.7%		-5.3%
Equity ratio, %	59.1%	55.6%		64.8%
Earnings per share, EUR	0.14	0.06	146.9%	0.80
Earnings per share (diluted), EUR	0.14	0.06	144.4%	0.80
Equity per share, EUR	4.92	4.18	17.9%	4.93

*) Includes cash, cash equivalents and financial assets at fair value through profit or loss

Basware's business operations consist of License Sales, Maintenance, Professional Services and Automation Services. The core of Basware's license sales consists of the Basware Enterprise Purchase to Pay product suite and the Basware Financial Management (FIMA) suite. The Group's reported market areas are Finland, Scandinavia, Europe and Other areas.

Steady growth continued

April 15, 2010

Basware's CEO **Ilkka Sihvo**: "The first quarter of the year was a success despite the continued challenging market conditions. Our net sales increased by 6.5% and our profitability by as much as 34.2%. Automation Services and License Sales in particular performed well. The performance in the first quarter provides a good starting point for the rest of the year."

Automation Services have been greeted favorably by the customers, and the business continued its strong growth in terms of both net sales and transaction volumes. Automation Services net sales increased by 77.8%. Basware Automation Services, launched at the beginning of 2009, have been complemented, and the services include comprehensive solutions for senders and recipients of e-invoices, as well as a supplier activation service. In the future, the growth of Automation Services will also be supported by a mid-market SaaS solution to be launched in North America during the second quarter and thereafter in select markets.

Basware's license sales increased by 12.7%. Regionally, the fastest growth was seen in the North American business, with net sales increasing by more than 50% in local currencies.

REPORTING

Basware's reporting segment is based upon geography as follows: Finland, Scandinavia, Europe and Other. Following the acquisition of former reseller TAG Services on July 1, 2009, Basware has assets in Australia. Taking into account the nature and extent of the business operations in North America and Australia, these areas were merged into the Other segment as of Q3/2009. The Finland segment includes the Finnish, Russian, Asia-Pacific (excluding Australia) business operations and corporate services.

In addition, the company reports revenue from products and services as follows: License Sales, Professional Services, Maintenance and Automation Services. Automation Services include SaaS revenue and transaction-based services, which include digitalization of paper invoices and exchange of e-invoices and purchase transactions.

The company also reports an estimate of revenue to be recognized for current Automation Services agreements in the next twelve months. Automation Services agreements are typically in force for a fixed period of several years or until further notice.

NET SALES

The geographical division of net sales by the location of assets:

Net sales (EUR thousand)	1-3/2010	1-3/2009	Change, %	1-12/2009
Finland	12 191	11 331	7.6	50 486
Scandinavia	5 253	5 317	-1.2	22 236
Europe	5 069	4 666	8.6	18 717
Other	2 373	1 195	98.6	9 201
Sales between segments	-1 754	-791	121.6	-7 985
Group total	23 132	21 717	6.5	92 654

The geographical division of net sales by the location of customers:

Net sales (EUR thousand)	1-3/2010	1-3/2009	Change, %	1-12/2009
Finland	10 695	10 323	3.6	42 449
Scandinavia	4 995	5 209	-4.1	21 719
Europe	4 915	4 681	5.0	18 065
Other	2 527	1 503	68.2	10 421
Group total	23 132	21 717	6.5	92 654

April 15, 2010

Basware Group's net sales for the period increased by 6.5 percent to EUR 23 132 thousand (EUR 21 717 thousand).

The Company's license sales decreased by 0.6 percent during the period, amounting to 20.1 percent (21.5%) of net sales. License sales of Basware products increased by 12.7 percent and sales of third-party scanning software decreased considerably while sales of outsourced scanning services increased.

Maintenance revenue increased by 13.7 percent and accounted for 35.1 percent (32.9%) of net sales. Professional Services revenue decreased by 7.4 percent and accounted for 34.0 percent (39.1%) of net sales.

During the period, Automation Services increased by 77.8 percent and accounted for 10.8 percent (6.5%) of net sales. The estimated revenue to be recognized for current Automation Services agreements in the next twelve months is EUR 10.5 million. The transaction volume processed by the Automation Services business was 2.9 million during the reporting period.

The international share of Basware's net sales was 53.8 percent (52.5%) in the period. International operations grew by 9.2 percent.

FINANCIAL PERFORMANCE

Basware's operating profit for the period increased by 34.2 percent to EUR 2 136 thousand (EUR 1 592 thousand). Operating profit represented 9.2 percent (7.3%) of net sales.

The geographical division of operating profit by the location of assets:

Operating profit (EUR thousand)	1-3/2010	1-3/2009	Change, %	1-12/2009
Finland	1 092	849	28.7	7 714
Scandinavia	762	666	14.4	3 169
Europe	509	231	120.1	1 566
Other	179	137	30.2	741
Operating profit between segments	-406	-292	39.2	-1 365
Group total	2 136	1 592	34.2	11 824

The Company's fixed costs were EUR 18 520 thousand (EUR 17 599 thousand) in the period, up 5.2 percent on the corresponding period the previous year. Personnel costs made up 74.0 percent (73.3%) or EUR 13 703 thousand (EUR 12 896 thousand) of the fixed costs.

Research and development costs totaled EUR 3 748 thousand (EUR 3 694 thousand), of which EUR 324 thousand (EUR 493 thousand) or 8.7 percent (14.4%) was capitalized during the period. The costs increased by 1.5 percent compared with the same reporting period in 2009. Amortization of capitalized research and development costs totaled EUR 422 thousand (EUR 368 thousand).

The Company's finance income and finance expenses were EUR 5 thousand (EUR -108 thousand). Profit before tax was EUR 2 142 thousand (EUR 1 484 thousand) and profit for the period was EUR 1 582 thousand (EUR 666 thousand). Undiluted earnings per share were EUR 0.14 (EUR 0.06).

FINANCE AND INVESTMENTS

Basware Group's total assets on the balance sheet at the end of the period were EUR 95 606 thousand (EUR 86 512 thousand). The Company's cash and liquid assets were EUR 16 351 thousand (EUR 11 460 thousand), of

April 15, 2010

which cash and cash equivalents were EUR 16 318 thousand (EUR 11 429 thousand) and financial assets at fair value through profit or loss were EUR 34 thousand (EUR 31 thousand).

Equity ratio was 59.1 percent (55.6%) and gearing was -19.4 percent (-0.7%). The Company's interest-bearing liabilities totaled EUR 5 388 thousand (EUR 11 114 thousand), of which current liabilities accounted for EUR 3 551 thousand (EUR 5 563 thousand). Return on investment was 14.1 percent (11.3%) and return on equity 11.2 percent (5.5%).

Cash flows from operating activities were EUR 11 115 thousand (EUR 8 423 thousand). Cash flows from investments were EUR -1 438 thousand (EUR -1 339 thousand).

The Company's capital expenditure, resulting from regular additional and replacement investments required for growth, was EUR 263 thousand (EUR 126 thousand) in the period. Gross investments which include - in addition to those mentioned above - capitalized research and development costs totaled EUR 845 thousand (EUR 619 thousand).

Amortization of intangible assets totaled EUR 1 093 thousand (EUR 873 thousand). There are no indications of impairments of assets.

Basware increased its shareholding in Basware Einvoices Oy to 100 percent on January 30, 2009, by acquiring 12.55 percent of the company's shares and control from the company's management. The purchase price paid on the date of the transaction was approximately EUR 720 thousand, and in February 2010 EUR 293 was paid as an additional purchase price based on the business volume for 2009.

Basware AS purchased the Norwegian invoice automation solution business of Itella Information AS. The purchase price was NOK 6.38 million (approximately EUR 0.72 million) and it was paid in cash on the day the acquisition was completed, April 1, 2009. In addition, in February 2010 Basware paid an additional purchase price of NOK 4 434 thousand (approximately EUR 559 thousand) determined on the basis of the volume of the purchased operations' service sales in 2009.

RESEARCH, DEVELOPMENT AND NEW PRODUCTS

Basware's research and development costs were EUR 3 748 thousand (EUR 3 694 thousand) in the period, corresponding to 16.2 percent (17.0%) of net sales. Research and development costs increased by 1.5 percent compared with the same period last year.

A total of 192 (176) people worked in Products at the end of March 2010. The Products unit is expanding at the fastest rate in India.

PERSONNEL

Basware employed 797 (731) people on average during the first quarter and 808 (730) at the end of the period. The number of personnel increased by 78 persons and by 10.7 percent compared with the same period the previous year. The increase in the number of personnel is due to acquisitions and an increase in the number of employees in the Indian unit.

The share of personnel working in foreign units has increased compared with the previous year. At the end of the period, 49.6 percent (45.5%) of Basware personnel worked outside of Finland and 50.4 percent (54.5 %) in Finland. 15.5 percent of the personnel work in sales and marketing, 51.9 percent in consulting and services, 23.9 percent in Products, and 8.7 percent in administration.

The average age of employees is 36.1 (35.8) years. Of the employees, 32.1 percent have a Master's degree and 37.3 percent have a Bachelor's degree. Women account for 30.4 percent of employees, men for 69.6 percent.

Geographical distribution of personnel:

April 15, 2010

Personnel (employed, on average)	1–3/2010	1–3/ 2008	Change, %	1–12/ 2009
Finland	501	439	14.0	454
Scandinavia	127	138	-8.4	135
Europe	122	122	-0.0	119
Other	48	31	55.4	39
Group total	797	731	9,1	747

BUSINESS OPERATIONS

Finland

The Finland segment includes operations in Finland, Russia, Asia (excluding Australia) and the Financial Management business. Net sales for the period increased by 7.6 percent to EUR 12 191 thousand (EUR 11 331 thousand).

Net sales of the Finnish and Russian business operations increased by 4.2 percent to EUR 10 853 thousand (EUR 10 413 thousand).

Basware entered into a partnership agreement with the IT company TerraLink whereby TerraLink will become a reseller of Basware software. Founded in 1989, Canada-based TerraLink is among the leading providers of systems integration and document management solutions in Russia.

There are currently 8 resellers in all in the area and the number of personnel averaged 501 (439) during the period.

Scandinavia

Basware's Nordic organization consists of a centrally directed Scandinavian (Sweden, Denmark and Norway) unit.

Net sales in Scandinavia decreased by 1.2 percent to EUR 5 253 thousand (EUR 5 317 thousand). The profitability of the operations has improved by 14.4 percent and operating profit was EUR 762 thousand (EUR 666 thousand).

Business operations are mainly handled by the own organization and there were 127 (138) employees on average in the area.

Europe

Basware's European business operations consist of the units in Germany, France, the Netherlands and the United Kingdom. Additionally, the reseller network covers the eastern part of Central Europe.

Net sales in the Europe segment increased by 8.6 percent to EUR 5 069 thousand (EUR 4 666 thousand). The profitability of the operations improved by 120.1 percent and operating profit was EUR 509 thousand (EUR 231 thousand).

There are 35 resellers in Europe, and Basware personnel averaged 122 (122) during the period.

Other

Business operations in North America and Australia are reported in this segment. Following the acquisition of former reseller TAG Services on July 1, 2009, Basware has assets in Australia. Taking into account the nature and extent of the business operations in North America and Australia, these areas were merged into the Other segment as of Q3/2009.

April 15, 2010

Net sales of the area increased by 98.6 percent to EUR 2 373 thousand (EUR 1 195 thousand). The profitability of the operations has improved by 30.2 percent and operating profit was EUR 179 thousand (EUR 137 thousand).

At the end of the period, there were 9 resellers in the Other segment. On average, there were 48 (31) employees in the area.

OTHER EVENTS OF THE PERIOD

Strategy

Basware has updated its strategy for 2010-2012. The Basware Responsive Strategy framework allows the company to act with agility and sensitivity based on the company's situation, market trends and other changes. The Responsive Strategy framework includes follow-up and analysis of internal and external trends as well as the company's vision, mission and operating principles. Basware's operating principles comprise of the company's values, corporate governance and responsibility.

The company aims at maintaining its position as a leading global supplier of invoice automation and procurement solutions. In order to support the sales of invoice automation solutions, Basware will launch a mid-market SaaS (Software as a Service) solution. The solution will be launched in North America during the second quarter and thereafter in select markets.

Basware also aims to become a leading company in e-invoicing worldwide. E-invoicing and supporting Connectivity Services are targeted to connect suppliers and buyers also outside of Basware's existing software customer base, leading into a higher potential.

The company's long-term target is to grow annually more than 50% in Automation Services. SaaS, Connectivity Services and e-invoicing are scalable models and offer an increasing profit potential in the long run. The company's long-term target is to grow annually more than 10% in License Sales, Maintenance and Professional Services. The target for operating profit margin is 10%-20%.

SHARE AND SHAREHOLDERS

Basware Corporation's share capital totaled EUR 3 443 887.20 at the end of the period and the number of shares was 11 479 624.

A separate stock exchange release has been issued on the Board authorizations and other resolutions of the Annual General Meeting of Shareholders on February 18, 2010.

Share price and trade

During the reporting period, the highest price of the share was EUR 18.58 (EUR 7.75), the lowest was EUR 15.00 (EUR 6.60) and the closing price was EUR 16.86 (EUR 7.50). The average price of the share was EUR 16.99 (EUR 7.37) during the period.

A total of 400 317 (431 908) shares were traded during the period which is the equivalent of 3.5 percent (3.8%) of the average number of shares. Market capitalization with the period's closing price on March 31, 2010 was EUR 192 024 003 (EUR 85 340 355).

Shareholders

Basware had 16 416 (17 016) shareholders on March 31, 2010 including nominee-registered holdings (7). Nominee-registered holdings accounted for 8.7 (7.9) percent of the total number of shares.

April 15, 2010

The company holds 90 300 Basware Corporation shares, corresponding to approximately 0.79% of all shares in the company.

During the period, Basware announced two notifications of change in ownership when the total number of shares held by Nordea Rahastoyhtiö Suomi Oy fell below 5% of Basware Corporation's share capital on February 2, 2010, and when Nordea Rahastoyhtiö Suomi Oy's was above 5% of Basware Corporation's shares on March 12, 2010.

GOVERNANCE

The Annual General Meeting of Shareholders on February 18, 2010, confirmed the number of Board members as six. The Annual General Meeting resolved to agree on the proposal and elected Matti Copeland, Sakari Perttunen, Pentti Heikkinen, Eeva Sipilä, Ilkka Toivola and Hannu Vaajoensuu members of the Board of Directors. In its first meeting held after the Annual General Meeting, the Board of Directors elected Hannu Vaajoensuu as chairman and Sakari Perttunen as vice chairman of the Board.

The Annual General Meeting further resolved to elect Ernst & Young Oy, Authorized Public Accountants as the auditor, with APA Heikki Ilkka in charge and APA Terhi Mäkinen as the deputy auditor.

The Board was authorized to resolve on share issue and share repurchase.

A separate stock exchange release has been issued on the Board authorizations and other resolutions of the Annual General Meeting of Shareholders on February 18, 2010.

The subscription period of shares subscribed for on the basis of Basware Corporation's option programs 2006 Series B and 2007 Series D ended on March 31, 2010. Each option right entitled the holder to subscribe for one Basware share. 141 600 shares were subscribed for with the options.

SHORT-TERM RISKS AND UNCERTAINTY FACTORS

In accordance with Basware's risk management policy, risks are divided into six categories: risks related to business operations, products, personnel as well as legal, financial and data security risks. Basware takes risks that are a natural part of its strategy and objectives. These risks are managed and decreased in various ways. Short-term risks are considered to be risks in the current reporting year.

Market forecasts updated in March-April 2010 expect the software purchases to increase by 7.2 percent globally and 8.3 percent in US in 2010. The entire IT services market is expected to grow by 5.6 percent globally and by 5.4 percent in US in 2010.

The global economic uncertainty continues, which might decrease companies' investment willingness to invest also in the future. This might have an unfavorable impact on the development of the company's net sales and profitability.

Previously in times of economic uncertainty, the demand for the company's products and services has remained more positive than the general market, as the company's software solutions generate cost savings.

The depression has generally increased companies' delinquency entries and the number of bankruptcies. Typically, companies may also prolong the times of payments in order to free up working capital. Basware has intensified its management of sales receivables, and business management regularly monitors the payment of sales receivables as part of the management of customer accounts.

The Group's main currency is Euro, accounting for approximately 61 percent of net sales in 2009 (approximately 67% in 2008). The significance of exchange rate fluctuations between the euro and other currencies will increase hand in hand with the share of international operations. The company did not realize hedging for exchange rate fluctuations during the financial period as the foreign-currency-denominated cash flow in the subsidiaries did not exceed the set annual foreign-currency-specific limit for hedging measures.

April 15, 2010

Basware's objective is to become the world's leading company in e-invoicing. E-invoicing and the supporting Connectivity also target suppliers and buyers outside Basware's existing customer base, which increases the customer potential. The company's long-term objective is annual growth of more than 50 percent in SaaS, Basware Connectivity and e-invoicing business. SaaS, Basware Connectivity and e-invoicing are scalable business models with a high business potential. The realization of this growth potential requires a new operating model as well as active and continuous development of competencies because of the strong growth of the number of customers and transaction volumes. These include sales and commissioning as well as customer support and product development.

In other respects, no significant changes have taken place in Basware's short-term risks and uncertainties during the financial period.

EVENTS AFTER THE REPORTING PERIOD

Basware Board of Directors approved in its meeting on April 13 subscription of total of 130 100 shares subscribed with Basware Warrant Programs. The share subscriptions were based on the Warrant Program 2006 series B warrants (56 400 shares) and Warrant Program 2007 series D warrants (73 700 shares).

FUTURE OUTLOOK

Market forecasts updated in March-April 2010 expect the software purchases to increase by 7.2 percent globally and 8.3 percent in US in 2010. The entire IT services market is expected to grow by 5.6 percent globally and by 5.4 percent in US in 2010.

Basware's direct competitors are primarily locally operating and often smaller companies. In North America in particular, the company has also larger competitors, especially in the field of procurement management. Developers of document management, scanning and recycling systems compete with Basware, particularly with regard to purchase invoice management solutions. Competing solutions also include customized solutions integrated into ERP (*Enterprise Resource Planning*) systems.

The software still offers a competitive edge, thanks to the integrated offering consisting of new added value products and the products. Automation services, a new concept in the portfolio, will have a positive impact on the competitiveness.

Automation services increase the predictability and transparency of a company's net sales and profitability. In 2009, revenue from continuous services (including maintenance) accounted for more than 40 percent of the company's total revenue. In order to support the sales of invoice automation solutions, Basware will launch a mid-market SaaS (Software as a Service) solution. The solution will be launched during the second quarter in North America and thereafter in select markets.

Basware also aims to become a leading company in e-invoicing worldwide. E-invoicing and supporting Connectivity Services are targeted to connect suppliers and buyers also outside of Basware's existing software customer base, leading into a higher potential.

The company's long-term target is to grow annually more than 50% in Automation Services. SaaS, Connectivity Services and e-invoicing are scalable models and offer an increasing profit potential in the long run. A growth investment program of Basware Automation Services (SaaS, Connectivity and e-invoicing) has been launched at the beginning of 2010, and it is expected to promote the positive development of operations and order backlog.

The Company's international growth is based on efforts of its own sales and marketing activity as well as the reseller channel. Development of the indirect distribution channel continues in Europe, Russia and Asia. In North America, the focus will be on developing the Company's own sales channel. In Scandinavia, the focus is on profitability, and moderate growth is supported by the Company's expanded product portfolio and the development

April 15, 2010

of the service business. In Finland, the focus is on profitability, and moderate growth will primarily be achieved from the fields of procurement management and services.

Basware has complemented its organic growth with acquisitions. The Company will continue to review possible acquisition targets during 2010. In particular, possible acquisitions will aim at supporting Automation Services and expanding the Company's distribution channel in international markets.

The Group's number of personnel will increase the most in Automation Services and product development during the year. The number of personnel will increase the most in India, which facilitates growth with a more moderate increase in costs.

Additional growth related investments will be made moderately during the year, provided that the operating profit and net sales develop as expected.

Basware expects its net sales for 2010 to develop positively on the level of 2009. Operating profit (EBIT) for 2010 is expected to be from 10 to 15 percent of net sales.

Espoo, Finland, April 15, 2010

BASWARE CORPORATION
Board of Directors

For more information, please contact

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Analyst and Press Briefing

Basware arranges today, April 15, 2010 a briefing on the Interim Report for the press and analysts at 11:00 a.m. in Hotel Kämp, Pohjoisesplanadi 29, Helsinki, Finland. During this briefing CEO Ilkka Sihvo and CFO Mika Harjuaho will comment the events and financial performance of the quarter. Welcome. Conference call to analysts who are not able to attend the briefing will take place on Thursday, April 15 at 13:00 EET. Please register through IR@basware.com for appropriate information.

Distribution:

NASDAQ OMX Helsinki Ltd

Key media

www.basware.com

April 15, 2010

The Interim Report has been prepared in accordance with the International Financial Reporting Standards (IFRS), applying the same accounting principles as in the 2009 Financial Statements. Key indicator calculations remain unchanged and have been presented in the 2009 Financial Statements.

GROUP INCOME STATEMENT

EUR thousand	1.1.– 31.3.2010	1.1.– 31.3.2009	Change, %	1.1.– 31.12.2009
NET SALES	23 132	21 717	6.5	92 654
Other operating income	50	30	67.3	162
Materials and services	-1 288	-1 552	-17.0	-6 193
Employee benefit expenses	-13 703	-12 896	6.3	-52 294
Depreciation and amortization	-1 236	-1 004	23.2	-4 456
Other operating expenses	-4 818	-4 703	2.4	-18 048
Operating profit	2 136	1 592	34.2	11 824
Finance income	116	124	-6.7	172
Finance expenses	-111	-232	-52.4	-406
Profit before tax	2 142	1 484	44.3	11 590
Income tax expense	-560	-818	-31.6	-2 517
PROFIT FOR THE PERIOD	1 582	666	137.6	9 074
Other comprehensive income:				
Exchange differences on translating foreign operations	364	803	-54.7	1 326
Income tax relating to components of other comprehensive income	201	-52	486.5	549
Other comprehensive income, net of tax	565	751	-24.8	777
TOTAL COMPREHENSIVE INCOME	2 147	1 417	51.5	9 850
Profit attributable to:				
Owners of the parent	1 582	641	146.7	9 074
Minority interest	0	25	-100.0	0
	1 582	666	137.6	9 074
Total comprehensive income attributable to:				
Owners of the parent	2 147	1 392	54.2	9 850
Minority interest	0	25	-100.0	0
	2 147	1 417	51.5	9 850
Earnings per share (undiluted), EUR	0.14	0.06	146.9	0.80
Earnings per share (diluted), EUR	0.14	0.06	144.4	0.80
Average number of shares:				
- undiluted	11 383 312	11 394 147		11 381 905
- diluted	11 501 810	11 394 147		11 381 905

April 15, 2010

GROUP BALANCE SHEET

EUR thousand	31.3.2010	31.3.2008	Change, %	31.12.2009
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	19 722	17 267	14.2	20 291
Goodwill	31 705	30 170	5.1	31 119
Tangible assets	910	975	-6.7	823
Available-for-sale investments	38	38		38
Long-term trade and other receivables	40	235	-83.1	124
Deferred tax assets	2 091	2 165	-3.4	2 199
Non-current assets	54 505	50 850	7.2	54 593
CURRENT ASSETS				
Inventories	50	29	75.5	33
Trade and other receivables	24 066	21 691	11.0	19 684
Income tax receivables	633	2 483	-74.5	767
Financial assets at fair value through profit or loss	34	31	8.0	34
Cash and cash equivalents	16 318	11 429	42.8	12 176
Current assets	41 101	35 662	15.2	32 694
TOTAL ASSETS	95 606	86 512	10.5	87 287

EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

Share capital	3 444	3 440	0.1	3 440
Issue of shares	1 573		100.0	140
Share premium account	69	69		69
Own shares	-629	-622	-1.1	-629
Fair value reserve and other reserves	33 735	33 598	0.4	33 598
Translation differences	-2 650	-3 241	18.2	-3 214
Retained earnings	20 978	14 664	43.1	23 176
Minority interest	0	163	-100.0	0
Shareholders' equity	56 519	48 071	17.6	56 580

NON-CURRENT LIABILITIES

Deferred tax liability	3 669	2 367	55.0	3 997
Interest-bearing liabilities	1 837	5 551	-66.9	3 674
Non-interest-bearing liabilities	269	4	7 134.2	110
Non-current liabilities	5 775	7 922	-27.1	7 782

CURRENT LIABILITIES

Interest-bearing liabilities	3 551	5 563	-36.2	5 555
Trade payables and other liabilities	29 348	23 812	23.2	17 039
Tax liability from income tax	413	1 144	-63.9	331

April 15, 2010

Current liabilities	33 312	30 519	9.2	22 926
TOTAL EQUITY AND LIABILITIES	95 606	86 512	10.5	87 287

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share- Holder s' capital	Shar e issu e	Share premium account	Own Shar- es	Inv. non- restr. equity res.	Othe r res.	Tran sl. diff	Retain ed earnin gs	Mino - rity inter - est	Total
EUR thousand										
SHARE- HOLDERS' EQUITY										
1.1.09	3 440	0	69	-271	33 058	540	-3 991	15 648	224	48 717
Compre- hensive income							751	641	25	1 417
Dividend distribution								-2 623		-2 623
Granted warrants								308		308
Changes in reporting period				-351				689	-86	252
SHARE- HOLDERS' EQUITY										
31.3.09	3 440	0	69	-622	33 058	540	-3 241	14 664	163	48 071
EUR thousand										
SHARE- HOLDERS' EQUITY										
1.1.10	3 440	140	69	-629	33 058	540	-3 214	23 176	0	56 580
Compre- hensive income							565	1 582		2 147
Dividend distribution								-4 100		-4 100
Granted warrants								69		69
Changes in reporting period	3	1 432				137		251		1 824
SHARE- HOLDERS' EQUITY										
31.3.10	3 444	1 573	69	-629	33 058	677	-2 650	20 978	0	56 519

April 15, 2010

GROUP CASH FLOW STATEMENT

EUR thousand	1.1.– 31.3.2010	1.1.– 31.3.2009	1.1.– 31.12.2009
Net cash from operating activities			
Profit for the period	1 582	666	9 074
Adjustments for profit	1 791	2 238	7 832
Working capital changes	8 315	6 400	-136
Interest paid	-22	-96	-192
Interest received	18	16	104
Other financial items in operating activities	48	-27	-30
Income taxes paid	-616	-775	-1 920
Net cash from operating activities	11 115	8 423	14 732
Cash flows from investing activities			
Purchase of tangible and intangible assets	-586	-614	-3 135
Proceeds from sale of tangible and intangible assets		0	1
Acquired subsidiaries	-852	-724	-1 875
Net cash used in investing activities	-1 438	-1 339	-5 009
Cash flows from financing activities			
Minority's capital investment	1 573		140
Repayments of short-term loans	-2 000		-3 558
Repayments of long-term borrowings	-1 775	-1 783	0
Share repurchase		-351	-358
Repayments of financial lease liabilities			0
Dividends paid	-3 633	-2 623	-2 623
Net cash used in financing activities	-5 835	-4 757	-6 398
Net change in cash and cash equivalents according to cash flow statement			
	3 842	2 328	3 324
Cash and cash equivalents at beginning of period	12 210	8 777	8 777
Effects of exchange rate changes on cash and cash equivalents	300	355	109
Cash and cash equivalents at end of period	16 351	11 460	12 210

April 15, 2010

GROUP QUARTERLY INCOME STATEMENT

EUR thousand	1-3/2010	1-3/2009	4-6/2009	7-9/2009	10-12/2009
NET SALES	23 132	21 717	22 729	21 609	26 600
Other operating income	50	30	52	47	34
Materials and services	-1 288	-1 552	-1 611	-1 395	-1 636
Employee benefit expenses	-13 703	-12 896	-13 444	-11 113	-14 841
Depreciation and amortization	-1 236	-1 004	-1 067	-1 106	-1 280
Other operating expenses	-4 818	-4 703	-4 513	-4 014	-4 819
Operating profit	2 136	1 592	2 146	4 028	4 058
%	9.2%	7.3%	9.4%	18.6%	15.3%
Finance income	116	124	30	32	-15
Finance expenses	-111	-232	-54	-115	-5
Profit before tax	2 142	1 484	2 122	3 946	4 038
%	9.3%	6.8%	9.3%	18.3%	15.2%
Income tax expense	-560	-818	-727	-941	-30
PROFIT FOR THE PERIOD	1 582	666	1 396	3 005	4 007
%	6.8%	3.1%	6.1%	13.9%	15.1%

Changes of ownership

Basware increased its shareholding in Basware Einvoices Oy to 100 percent on January 30, 2009, by acquiring 12.55 percent of the company's shares and control from the company's management. The purchase price paid on the date of the transaction was approximately EUR 720 thousand, and EUR 293 was paid in February 2010 as an additional purchase price based on the business volume for 2009.

Basware AS purchased the Norwegian invoice automation solution business of Itella Information AS. The purchase price was NOK 6.38 million (approximately EUR 0.72 million) and it was paid in cash on the day the acquisition was completed, April 1, 2009. In addition, in February 2010 Basware paid an additional purchase price of NOK 4 434 thousand (approximately EUR 559 thousand) determined on the basis of the volume of the purchased operations' service sales in 2009.

COMMITMENTS AND CONTINGENT LIABILITIES

EUR thousand	31.3.2010	31.3.2009	31.12.2009
Own guarantees			
Business mortgages of own debts	1 200	1 200	1 200
Commitments on behalf of subsidiaries and group companies			
Guarantees	1 122	1 098	1 075
Other own guarantees			
Lease liabilities			
Current lease liabilities	923	799	970
Lease liabilities maturing in 1-5 years	772	823	895
Total	1 695	1 623	1 865

April 15, 2010

Other rental liabilities			
Current rental liabilities	2 146	2 481	2 333
Rental liabilities maturing in 1–5 years	3 152	4 330	2 924
Rental liabilities maturing later	1 042	1 259	1 071
Total	6 339	8 070	6 328
Other own contingent liabilities, total	8 035	9 693	8 193

SEGMENT REPORTING

Net sales by market area

Net sales (EUR thousand)	1–3/2010	1–3/2009	Change, %	1–12/2009
Finland	12 191	11 331	7.6	50 486
Scandinavia	5 253	5 317	-1.2	22 236
Europe	5 069	4 666	8.6	18 717
Other	2 373	1 195	98.6	9 201
Sales between segments	-1 754	-791	121.6	-7 985
Group total	23 132	21 717	6.5	92 654

Operating profit (EUR thousand)	1–3/2010	1–3/2009	Change, %	1–12/2009
Finland	1 092	849	28.7	7 714
Scandinavia	762	666	14.4	3 169
Europe	509	231	120.1	1 566
Other	179	137	30.2	741
Operating profit between segments	-406	-292	39.2	-1 365
Group total	2 136	1 592	34.2	11 824

Personnel (employed, on average)	1–3/2010	1–3/2009	Change, %	1–12/ 2009
Finland	501	439	14.0	454
Scandinavia	127	138	-8.4	135
Europe	122	122	-0.0	119
Other	48	31	55.4	39
Group total	797	731	9.1	747

Net sales by business

Net sales (EUR thousand)	1–3/2010	1–3/2009	Change, %	1–12/2009
License Sales	4 648	4 677	-0.6	23 755
Maintenance	8 113	7 138	13.7	29 757
Professional Services	7 871	8 496	-7.4	31 174
Automation services	2 500	1 406	77.8	7 967
Group total	23 132	21 717	6.5	92 654

April 15, 2010

Net sales by the location of customer

Net sales (EUR thousand)	1-3/2010	1-3/2009	Change, %	1-12/2009
Finland	10 695	10 323	3.6	42 449
Scandinavia	4 995	5 209	-4.1	21 719
Europe	4 915	4 681	5.0	18 065
Other	2 527	1 503	68.2	10 421
Group total	23 132	21 717	6.5	92 654

GROUP KEY INDICATORS

EUR thousand	1-3/10	1-3/09	1-3/08	1-12/09
Net sales	23 132	21 717	18 233	92 654
Growth of net sales, %	6.5%	19.1%	7.4%	7.6%
EBITDA	3 373	2 596	417	16 280
% of net sales	14.6%	12.0%	2.3%	17.6%
Operating profit before IFRS3 amortization	2 692	2 033	-58	13 788
% of net sales	11.6%	9.4%	-0.3%	14.9%
Operating profit	2 136	1 592	-254	11 824
Growth of operating profit, %	34.2%	725.8%	-118.1%	36.2%
% of net sales	9.2%	7.3%	-1.4%	12.8%
Profit before tax	2 142	1 484	-250	11 590
% of net sales	9.3%	6.8%	-1.4%	12.5%
Profit for the period	1 582	666	-550	9 074
% of net sales	6.8%	3.1%	-3.0%	9.8%
Return on equity, %	11.2%	5.5%	-4.8%	17.2%
Return on investment, %	14.1%	11.3%	-1.8%	18.8%
Interest-bearing liabilities	5 388	11 114	232	9 230
Cash and liquid assets *)	16 351	11 460	7 254	12 210
Gearing, %	-19.4%	-0.7%	-15.7%	-5.3%
Equity ratio, %	59.1%	55.6%	66.4%	64.8%
Total assets	95 606	86 512	67 496	87 287
Gross investments **)	845	619	822	7 448
% of net sales	3.7%	2.9%	4.5%	8.0%
Capital expenditure	263	126	193	2 047
% of net sales	1.1%	0.6%	1.1%	2.2%
Research and development costs	3 748	3 694	3 793	14 781
% of net sales	16.2%	17.0%	20.8%	16.0%
R&D personnel at end of period	192	176	160	195
Personnel on average during the period	797	731	666	747
Personnel at end of period	808	730	665	761
Increase in personnel, %	10.7%	9.8%	24.8%	4.1%
Earnings per share, EUR	0.14	0.06	-0.05	0,80
Earnings per share (diluted), EUR	0.14	0.06	-0.05	0,80
Equity per share, EUR	4.92	4.18	3.89	4,93
P/E ratio	121.37	133.26	-160.90	18.21

April 15, 2010

Share price performance

lowest share price	15.00	6.60	7.50	6.60
highest share price	18.58	7.75	10.45	14.66
average share price	16.99	7.37	8.27	10.79
closing share price	16.86	7.50	7.90	14.52

Market capitalization at end of period	192 024 003	85 340 355	90 598 180	165 206 004
Number of traded shares	400 317	431 908	482 102	2 038 565
% of average number of shares	3.5%	3.8%	4.2%	17.9%
Average number of shares				
- undiluted	11 383 312	11 394 147	11 468 124	11 381 905
- diluted	11 501 810	11 394 147	11 468 124	11 381 905

*) Includes cash, cash equivalents and financial assets at fair value through profit or loss

**) Includes capitalized R&D costs and acquisitions

Major Shareholders, March 31, 2010

Name	Number of shares	Votes, %
1 Sihvo, Ilkka	1 065 800	9.3
2 Eräkangas, Kirsi	1 021 800	8.9
Eräkangas, Kirsi	711 400	6.2
Eräkangas, Lotta	310 400	2.7
3 Vaajoensuu, Hannu	962 100	8.4
Vaajoensuu, Hannu	528 000	4.6
Havacment Oy	266 500	2.3
Vaajoensuu, Henri	83 800	0.7
Vaajoensuu, Petra	83 800	0.7
4 Perttunen, Sakari	830 400	7.2
5 Pöllänen, Antti	516 615	4.5
Launimo, Essi	100 208	0.9
6 Nordea Nordic Small Cap Fund	574 713	5.0
7 Mandatum Life Insurance Company	550 000	4.8
8 Ilmarinen Mutual Pension Insurance Company	544 850	4.7
9 Fondita Nordic Micro Cap Fund	296 376	2.6
10 Ahonen, Asko	288 736	2.5
11 Royal Skandia Life Assurance EIB 17527-6	250 000	2.2
12 Kaleva Mutual Insurance Company	242 690	2.1
13 Veritas Pension Insurance Company	226 000	2.0
14 Perttunen, Meimi	215 400	1.9
15 Aktia Capital	180 863	1.6
16 Basware Corporation	90 300	0.8
17 Vaajoensuu, Sara	83 700	0.7

April 15, 2010

18	Tietoklusteri Oy	77 000	0.7
19	Pavor Oy	75 052	0.7
20	Sinkkonen, Raija	70 000	0.6
	20 largest shareholders total	8 262 603	72.0
	Total of nominee-registered	999 279	8.7
	<u>Others</u>	<u>2 217 742</u>	<u>19.3</u>
	Total	11 479 624	100.00