

July 18, 2018

BASWARE HALF YEAR FINANCIAL REPORT JANUARY 1 – JUNE 30, 2018 (IFRS)

Record cloud revenue and order intake

April-June 2018:

- Net sales EUR 34 969 thousand (EUR 37 287 thousand): decrease of 6.2 percent, organic growth at constant currencies 7.0 percent
- Organic cloud revenue growth at constant currencies 15.6 percent, amounting to 62.3 percent (53.0 %) of net sales
- Adjusted EBITDA EUR -2 674 thousand (EUR 318 thousand)
- Adjusted operating profit/loss EUR -5 416 thousand (EUR -2 151 thousand)
- Adjusted earnings per share (diluted) EUR -0.34 (-0.19)
- Operating profit/loss EUR -6 329 thousand (EUR -2 769 thousand)
- Earnings per share (diluted) EUR -0.40 (-0.24)

January-June 2018:

- Net sales EUR 70 939 thousand (EUR 74 097 thousand): decrease of 4.3 percent, organic growth at constant currencies 6.1 percent
- Organic cloud revenue growth at constant currencies 17.0 percent, amounting to 60.8 percent (52.2 %) of net sales
- Adjusted EBITDA EUR -2 661 thousand (EUR -1 275 thousand)
- Adjusted operating profit/loss EUR -8 033 thousand (EUR -6 336 thousand)
- Adjusted earnings per share (diluted) EUR -0.94 (-0.51)
- Operating profit/loss EUR 6 166 thousand (EUR -7 853 thousand)
- Earnings per share (diluted) EUR 0.05 (-0.61)

Basware is the global leader in providing networked source-to-pay, e-invoicing and value-added services. Basware's key strategic priority for the strategy period 2017-2020 is cloud revenue growth. The company continues to strengthen its leading market position in order to grow cloud revenue.

For 2018 Basware expects the following on an organic basis at constant currencies:

- Cloud revenues to be between EUR 90 and 95 million
- Total costs excluding amortization, depreciation and adjustments to be slightly above 2017 levels

Basware has adopted IFRS 15 *Revenue from Contracts with Customers* as of January 1, 2018 (mandatory application), with full retrospective application. In connection with the IFRS 15 application, the Group has also made certain changes to revenue allocation between Cloud and Non-cloud. Comparatives for 2017 presented in the interim report have been updated to include IFRS 15 restatements and revenue reallocations.

From Q1 2018 onwards, Basware has made certain changes in the presentation of its financial information. The company has adopted a functional income statement showing the company's cost of sales, gross profit and operating expenses by function. In addition, the company has changed the presentation of its geographical information. From Q1 2018 onwards, the company reports the following geographical areas: Americas, Europe, Nordics and APAC.

In February 2018 Basware completed the divestment of two businesses. As a result, it is important to consider the organic growth rate when comparing 2018 financials with 2017 financials as the divestments decrease revenues and profitability. Additionally, foreign exchange movements, particularly in US dollars and Sterling, have negatively impacted Basware's headline revenues the first half. This has a disproportionate effect on our cloud revenues where US dollars and Sterling comprise a larger share than in total revenues.

The interim report is unaudited.

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GROUP KEY FIGURES

EUR thousand	4-6/ 2018	4-6/ 2017	Change, %	1-6/ 2018	1-6/ 2017	Change, %	1-12/ 2017
Net sales	34 969	37 287	-6.2 %	70 939	74 097	-4.3 %	149 167
Cloud revenue	21 783	19 752	10.3 %	43 126	38 668	11.5 %	80 332
Cloud order intake*	6 392	5 496	16.3 %	11 049	9 520	16.1 %	17 943
EBITDA	-3 587	-300		11 538	-2 792		599
Adjusted EBITDA	-2 674	318		-2 661	-1 275	-108.8 %	3 294
Operating profit/loss	-6 329	-2 769	-128.6 %	6 166	-7 853		-9 509
Adjusted operating profit/loss	-5 416	-2 151	-151.8 %	-8 033	-6 336	-26.8 %	-6 814
Profit/loss before tax	-6 712	-3 623	-85.2 %	5 030	-9 700		-12 276
Profit/loss for the period	-5 746	-3 416	-68.2 %	671	-8 787		-11 524
Cash and cash equivalents	41 413	23 610	75.4 %	41 413	23 610	75.4 %	20 683
Earnings per share							
Diluted, EUR	-0.40	-0.24	-68.1 %	0.05	-0.61		-0.80
Adjusted earnings per share, diluted, EUR	-0.34	-0.19	-72.1 %	-0.94	-0.51	-85.4 %	-0.61

*From Q2 2018 onwards cloud order intake is the key order intake figure reported

BUSINESS OPERATIONS

Basware is the global leader in networked source-to-pay solutions, including e-invoicing and value added services. Basware's commerce network connects businesses in over 100 countries and territories around the globe. As the largest open business network in the world, Basware provides scale and reach for organizations of all sizes, enabling them to grow their business and unlock value across their operations by simplifying and streamlining financial processes. Small and large companies around the world achieve significant cost savings, more flexible payment terms, greater efficiencies and closer relationships with their suppliers.

CEO Vesa Tykkyläinen:

Since I became CEO of Basware in September 2016, the focus has been on putting in place the foundations to enable scalable cloud growth. We have executed well against this objective with significant strengthening of our leadership and personnel, alignment of management and shareholders, introduction of account management and strengthened country management, consolidation of R&D sites, the transition of a fragmented data centre environment to AWS and the sale of non-core assets. This quarter we have continued to further strengthen these foundations. We implemented a functional organisational structure, which added the key positions of Chief Technology Officer and SVP Business Development and Alliances to the executive team and also removed overlaps by combining the separate business areas into a single Products function. We implemented a new customer support portal, which improves how we can serve customers and increases efficiency in our customer services organisation. Additionally, at the beginning of July we announced an agreement to outsource our scanning services.

This quarter our total cloud order intake was EUR 6.4 million, an all-time high. Our order intake performance was particularly strong in the US and we continued to win new customers globally including Voith, Neogen, Tishman Speyer, Kraton Polymers, Western Dental and Imerys, as well as transform existing customers to the cloud, including BrandSafway, Korian and Thermo Fisher. Our cloud revenues continued to grow as a proportion of sales,

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and now account for 62 percent of total revenues. This is accelerating our total growth, which was 7.0 percent on an organic constant currency basis in the second quarter, up from 1.8 percent in the second quarter of 2017.

In addition to having great customers, we have great solutions. Basware was again recognised as a leader in source-to-pay by Gartner, with a particular emphasis on Basware's customer focus. Innovations released in the second quarter included Smart PDF, which enables the efficient digitalisation of invoices from "long tail" of suppliers unable or unwilling to send fully electronic invoices, and Basware assistant, a chatbot feature that tangibly improves the user experience and reduces the need for customer training.

I am excited by all the changes we have already successfully implemented at Basware thanks to our great people. Now is the time for us to shift gear and move from internal clean-up to a focus on accelerating growth. Our sales and marketing pipeline is at an all-time high. We will continue to invest in sales and marketing and already have a number of new hires that are still to reach full productivity, which will feed into the future order intake. We now have much more stability in the country organisations and management bandwidth to focus on growth. With all the changes that we have made, combined with our great customers, great people and great solutions I am confident for the future.

NET SALES

Basware's net sales for the first half amounted to EUR 70 939 thousand (EUR 74 097 thousand), a decrease of 4.3 percent. This equated to 6.1 percent organic growth at constant currencies. The difference related to the sale of Banking and Financial Performance Solutions as well as foreign exchange movements, especially US dollar and Sterling.

Basware's net sales for the second quarter amounted to EUR 34 969 thousand (EUR 37 287 thousand), a decline of 6.2 percent. This equated to 7.0 percent organic growth at constant currencies.

Cloud revenues grew strongly during the second quarter. Cloud revenues in the second quarter were EUR 21 783 thousand (EUR 19 752 thousand), up by 10.3 percent, and accounted for 62.3 percent (53.0 %) of net sales. This equated to 15.6 percent organic growth at constant currencies. Cloud revenues were disproportionately affected by foreign exchange movements given the higher proportion of cloud revenues in US dollars and Sterling. Using 2017 exchange rates to calculate 2018 revenues, Cloud revenues in the second quarter would have been EUR 22 379 million.

In the second quarter SaaS revenues grew 15.4 percent and transaction services revenues 13.9 percent compared to the second quarter of 2017. The SaaS growth rate equated to 26.2 percent and transaction growth rate to 15.6 percent organic growth at constant currencies.

In non-cloud revenues, maintenance and licence revenues declined in line with expectations as we transition customers to the cloud. Non-cloud revenues were significantly impacted by the divestments. The maintenance revenues declined 11.7 percent and licences 21.9 percent on an organic basis at constant currencies. Consulting revenues grew 2.0 percent on an organic basis at constant currencies.

Basware has adopted IFRS 15 *Revenue from Contracts with Customers* as of January 1, 2018. In connection with the IFRS 15 application, the Group has also made certain changes in revenue allocation between Cloud and Non-cloud. The net impact of IFRS 15 restatements and the changes in revenue allocation between Cloud and Non-cloud for 2017 comparatives is EUR -74 thousand for the full year and EUR -2 thousand for Q2 2017 on Group level, with Cloud revenue increasing by EUR 1 163 thousand for full year 2017 and EUR 158 thousand for Q2 2017 and Non-cloud revenue decreasing by EUR 1 236 thousand for full year 2017 and EUR 160 thousand for Q2 2017.

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Net sales by revenue type EUR thousand	4-6/ 2018	4-6/ 2017	Change, %	1-6/ 2018	1-6/ 2017	Change, %	1-12/ 2017
Cloud Revenue							
SaaS	9 663	8 372	15.4	19 239	16 373	17.5	34 808
Transaction services	10 900	9 573	13.9	21 376	19 044	12.2	39 689
Other cloud revenue	1 220	1 807	-32.5	2 511	3 251	-22.8	5 835
Cloud Revenue total	21 783	19 752	10.3	43 126	38 668	11.5	80 332
Non-Cloud Revenue							
Maintenance	6 226	9 357	-33.5	14 062	19 206	-26.8	37 026
License sales	646	1 120	-42.3	1 189	2 020	-41.1	4 192
Consulting services	6 201	7 165	-13.5	12 538	14 235	-11.9	27 746
Other non-cloud revenue	114	-105		25	-32		-129
Non-Cloud Revenue total	13 186	17 536	-24.8	27 813	35 429	-21.5	68 836
Group Total	34 969	37 287	-6.2	70 939	74 097	-4.3	149 167

CLOUD ORDER INTAKE

In the second quarter of 2018 Basware introduced a functional organisational structure and combined the previously separate Purchase-to-Pay and Network and Financing Services business areas into a new single Products function. To enable better understanding of Basware's overall sales performance and future cloud revenue growth potential, Basware will now report total cloud annual recurring revenue gross order intake.

Basware's total cloud annual recurring revenue gross order intake in the second quarter amounted to EUR 6.4 million, up from EUR 5.5 million in the second quarter of 2017, an increase of 16.3 percent. This equated to 19.7 percent growth on an organic constant currency basis. There will be a time lag before order intake is visible in net sales. Further information on the definition of annual recurring revenue gross order intake is included in the section on Definition of Alternative Performance Measures.

Annual recurring revenue gross order intake EUR thousand	4-6/ 2018	4-6/ 2017	Change, %	1-6/ 2018	1-6/ 2017	Change, %	1-12/ 2017
Cloud	6 392	5 496	16.3	11 049	9 520	16.1	17 943
Purchase-to-Pay subscriptions	3 449	3 809	-9.5	6 191	6 315	-2.0	11 246

FINANCIAL PERFORMANCE

Basware's adjusted EBITDA was EUR -2 674 thousand (EUR 318 thousand) in the second quarter. The adjustments to EBITDA totalled EUR 913 thousand (EUR 618 thousand) in the quarter. Basware's operating profit/loss for the quarter amounted to EUR -6 329 thousand (EUR -2 769 thousand).

Basware's adjusted EBITDA was EUR -2 661 thousand (EUR -1 275 thousand) year-to-date. The operating profit/loss for the first half amounted to EUR 6 166 thousand (EUR -7 853 thousand).

The company's cost of sales were EUR 18 580 thousand (EUR 19 363 thousand) and total operating expenses including depreciation and amortization EUR 21 712 thousand (EUR 20 296 thousand) in the second quarter. Out of total operating expenses, sales and marketing expenses were EUR 10 434 thousand (EUR 9 304 thousand), research and development expenses EUR 6 964 thousand (EUR 7 657 thousand) and general and administration expenses EUR 4 315 thousand (EUR 3 335 thousand). Other operating income and expenses were EUR -1 006 thousand (EUR -397 thousand).

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Research and development expenses in the income statement totalled EUR 6 964 thousand (EUR 7 657 thousand). Of this, EUR 1 554 thousand related to depreciation (EUR 1 245 thousand). Research and development expenses capitalized during the quarter amounted to EUR 2 343 thousand (EUR 2 511 thousand). Basware's research and development investments totalled EUR 7 753 thousand (EUR 8 923 thousand), or 22.2 percent (23.9 %) of net sales during the quarter.

The company's net finance expenses were EUR -382 thousand (EUR -458 thousand) for the quarter.

Basware's profit/loss before tax was EUR -6 712 thousand (EUR -3 623 thousand) and profit/loss for the quarter EUR -5 746 thousand (EUR -3 416 thousand). Taxes for the quarter impacted the profit/loss by EUR 966 thousand (EUR 207 thousand).

Diluted earnings per share were EUR -0.40 (EUR -0.24) for the quarter.

FINANCING AND INVESTMENTS

Cash flows from operating activities were EUR -7 856 thousand (EUR -4 837 thousand) in the second quarter. Basware's operating cash flows are seasonal as a relatively large part of payments for annual maintenance are made in the first quarter.

Basware's cash and cash equivalents including short-term deposits totalled EUR 41 413 thousand (EUR 23 610 thousand) at the end of the quarter. In addition to cash and cash equivalents, Basware has an undrawn revolving credit facility of EUR 10 million, bringing total available liquidity at the end of the quarter to EUR 51 413 thousand (EUR 33 610 thousand).

Basware's total assets on the balance sheet at the end of the quarter were EUR 218 035 thousand (EUR 217 511 thousand). Net cash flows from investments were EUR -5 133 thousand (EUR -3 325 thousand) in the quarter.

The equity ratio was 53.4 percent (54.2 %) and gearing 5.9 percent (14.1 %). The company's interest-bearing liabilities totalled EUR 48 277 thousand (EUR 40 280 thousand), of which current liabilities accounted for EUR 4 539 thousand (EUR 22 096 thousand). The return on investment was -12.1 percent (-7.6 %) and return on equity -14.6 percent (-11.3 %) in the quarter.

PERSONNEL

Basware's personnel expenses were EUR 24 968 thousand (EUR 25 375 thousand) in the quarter.

Basware employed 1 758 (1 837) people on average during the quarter and 1 745 (1 838) at the end of the quarter.

Geographical division of personnel:

Personnel Employed, on average	4-6/ 2018	4-6/ 2017	Change, %	1-6/ 2018	1-6/ 2017	Change, %	1-12/ 2017
Americas	137	128	7.0	136	131	4.1	131
Europe	464	485	-4.3	463	488	-5.0	475
Nordics	483	555	-12.9	509	566	-10.1	558
APAC	674	670	0.6	680	663	2.7	673
Group total	1 758	1 837	-4.3	1 788	1 847	-3.2	1 838

In accordance with the new organisational structure announced on June 1, 2018, at the end of the quarter 11.3 percent of the personnel worked in sales and marketing, 49.5 percent in R&D and production and products, 31.0 percent in customer services and 8.3 percent in administration.

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The average age of employees is 35.0 (35.0) years. Women account for 27.7 percent (27.1 %) of employees, men for 72.3 percent (72.9 %).

OTHER EVENTS OF THE PERIOD

Basware announces move to functional organizational structure to support cloud growth

Basware announced on May 24, 2018 that it will move to a functional organisational structure and establish three new functions: Products, R&D and Production, and Business Development and Alliances. The new organization is valid as of June 1, 2018.

Ilari Nurmi, head of Basware's Purchase-to-Pay business area until May 31, 2018, leads the newly established Business Development and Alliances function. Mikko Pilkama, head of Basware's Network and Financing Services until May 31, 2018, leads the new Products function. Nurmi and Pilkama continue as members of the company's Executive Team in their new roles. Other members of the Executive Team continue in their current roles.

As part of the change, Basware announced the creation of a new Chief Technology Officer (CTO) position to head the R&D and Production function. The CTO will report to Vesa Tykkyläinen, CEO, Basware Corporation. Jari Antikainen, currently Vice President, Purchase-to-Pay, R&D at Basware, acts as the company's interim CTO until the permanent CTO starts in the role.

With the changes Basware will achieve estimated annual run-rate savings of EUR 2-3 million, which will be reinvested into growth areas. The costs related to implementing the changes are expected at EUR 1-2 million.

EVENTS AFTER THE PERIOD

Basware Corporation: Composition of the Audit Committee

David Bateman, member of the Board of Directors of Basware Corporation, joined the Board's Audit Committee as of July 1, 2018. All other members of the Audit Committee remain unchanged.

Changes in Basware's Executive Team

Klaus Andersen has been appointed as Chief Technology Officer (CTO) and as a member of the Executive Team at Basware. Andersen will join Basware in September 2018 and will report to the CEO.

RISKS AND UNCERTAINTY FACTORS

Basware has a growth strategy with high net sales growth expectations for the cloud business. Executing the strategy for 2017-2020 requires significant investments in sales and marketing and related resources as well as continued investments in product development. At the same time, the industry transformation from an on-premise license-based business model to a SaaS model will accelerate the decline of certain Basware revenue streams, including license sales and maintenance. The transformation will also make consulting revenues more volatile. Until the transformation is complete, this will act as a drag on Group net sales growth.

Additionally, even higher than expected pace in the license to SaaS transformation would have a negative impact on expected net sales in the short term. In addition to SaaS, Basware expects high growth rates in its network-based transaction services which will, besides successful sales effort, also require an efficient supplier onboarding process. Sales from Value Added Services, including Financing Services, are dependent on Basware's ability to bring innovative and attractive products to the market according to its planned timetable and move customers quickly to a phase where they are using the services extensively enough to provide meaningful revenue to Basware.

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The fact that more than 50 percent of the company's sales are expected to come from non-euro countries exposes the Group's net sales growth to foreign exchange rate movements. In case there is a significant movement of GBP, USD, NOK, SEK or AUD against the euro, reported net sales may be affected. In addition, a proportion of Basware's costs are denominated in INR and RON.

Execution of the growth strategy and going through constant change puts new demands on the organization as well as its management and leadership capabilities. The company's ability to attract, retain and develop the right type of talent to deliver on its strategy is critical as well as management focus and ability to drive change.

Basware considers acquisitions as part of its strategy. Acquisitions entail risks, such as failure in integrating acquisitions or in ensuring that the planned financial benefits and synergies of the acquisitions materialize.

The cloud transformation process requires cash investment. The company's ability to secure financing for this transformation may affect its ability to deliver on the strategy.

Basware's biggest operational risks relate to service disruption as a result of for example data centre failures, various data security threats and non-compliance risks related to Basware's solutions and services, the company's activities or its employees' behaviour. Operational risks are actively managed by continuous improvement in risk monitoring and protection practices as well as internal training of Basware's personnel.

Basware operates in a market where technological and business model innovation play a key role. While Basware is recognized as a leader within its segments by independent analysts, it is critical that Basware continues to innovate and develop its offering.

FUTURE OUTLOOK

Operating environment and market outlook

All organisations need to manage their purchasing processes from procurement through to handling invoices and paying them. Currently many organisations only have unsophisticated or partial tools to manage these processes and as a result many are faced with unmanaged spending, inefficient manual and paper-based processes and poor visibility of cashflows. Basware offers a uniquely complete solution for these challenges that is differentiated by the Basware Network, the largest e-invoicing network in the world, and enables customers to manage 100 percent of their spending and make their purchasing processes completely paperless.

Basware expects the demand for networked purchase-to-pay services to continue to grow. The total potential market for networked purchase-to-pay services is estimated to be worth EUR 15 billion in annual revenues in Europe and North America.

Outlook for 2018

Basware is the global leader in providing networked source-to-pay, e-invoicing and value-added services. Basware's key strategic priority for the strategy period 2017-2020 is cloud revenue growth. The company continues to strengthen its leading market position in order to grow cloud revenue.

Themes affecting cloud revenues in 2018:

- SaaS revenues anticipated to continue to grow strongly on an organic basis
- Transaction services revenues growth anticipated to accelerate as growth initiatives take effect
- Other cloud revenues continue to be impacted by UK public sector revenues
- Cloud revenues have a higher proportion of US dollar and Sterling and so are disproportionately affected by foreign exchange movements

Themes affecting non-cloud revenues in 2018:

- Maintenance and licence revenues will continue to decline as Basware transitions existing customers to cloud services
- Consulting revenues are also affected by the cloud transition and more standardised implementations
- Non-cloud revenues are disproportionately affected by the divestments completed in February 2018

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For 2018 Basware expects the following on an organic basis at constant currencies:

- Cloud revenues to be between EUR 90 and 95 million
- Total costs excluding amortization, depreciation and adjustments to be slightly above 2017 levels

Constant currencies means that the effects of any changes in currencies are eliminated by calculating the figures for the period using 2017 exchange rates. Organic means that the figures are adjusted to remove the effects of any acquisitions or disposals within the past 12 months.

Espoo, Finland, Tuesday, July 17, 2018

BASWARE CORPORATION
Board of Directors

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SUMMARY OF FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS JANUARY 1 – JUNE 30, 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	4-6/ 2018	4-6/ 2017	Change, %	1-6/ 2018	1-6/ 2017	Change, %	1-12/ 2017
NET SALES	34 969	37 287	-6.2	70 939	74 097	-4.3	149 167
Cost of sales	-18 580	-19 363	-4.0	-36 493	-39 839	-8.4	-75 891
GROSS PROFIT	16 389	17 924	-8.6	34 445	34 258	0.5	73 276
Sales and marketing	-10 434	-9 304	12.1	-20 313	-18 700	8.6	-36 455
Research and development	-6 964	-7 657	-9.0	-13 775	-15 487	-11.1	-29 629
General and administration	-4 315	-3 335	29.4	-8 183	-6 593	24.1	-14 110
Total operating expenses	-21 712	-20 296	7.0	-42 270	-40 779	3.7	-80 194
Other operating income and expenses	-1 006	-397	153.2	13 991	-1 332		-2 593
OPERATING PROFIT/LOSS	-6 329	-2 769	-128.6	6 166	-7 853		-9 509
Finance income and expenses	-382	-458	-16.5	-983	-969	1.4	-1 719
Share of profit/loss of a joint venture	0	-396	-100.0	-153	-878	-82.6	-1 048
PROFIT/LOSS BEFORE TAX	-6 712	-3 623	-85.2	5 030	-9 700		-12 276
Income tax	966	207	366.5	-4 359	913		752
PROFIT/LOSS FOR THE PERIOD	-5 746	-3 416	-68.2	671	-8 787		-11 524
Other comprehensive income							
Other comprehensive income that will not be reclassified to profit or loss							
Remeasurement of employee benefits	18	-27		18	-62		155
Other comprehensive income that may be reclassified subsequently to profit or loss							
Exchange differences on translating foreign operations	1 811	-3 729		1 151	-4 277		-6 743
Income tax relating to components of other comprehensive income	-83	156		-49	186		290
Cash flow hedges	54	0		36	0		0
Other comprehensive income for the year net of tax	1 800	-3 601		1 157	-4 154		-6 299
TOTAL COMPREHENSIVE INCOME	-3 946	-7 017	43.8	1 827	-12 941		-17 823
Profit/loss attributable to:							
Equity holders of the parent company	-5 746	-3 416	-68.2	671	-8 787		-11 524
Total comprehensive income attributable to:							
Equity holders of the parent company	-3 946	-7 017	43.8	1 827	-12 941		-17 823
Earnings per share							
undiluted, EUR	-0.40	-0.24	-68.1	0.05	-0.61		-0.80
diluted, EUR	-0.40	-0.24	-68.1	0.05	-0.61		-0.80

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	June 30, 2018	June 30, 2017	Change, %	Dec. 31, 2017
ASSETS				
Non-current assets				
Intangible assets	45 713	48 245	-5.3	49 039
Goodwill	78 910	93 673	-15.8	91 961
Tangible assets	1 053	2 228	-52.7	1 291
Share of investment in a joint venture	0	323		153
Non-current financial assets	38	38		38
Trade and other receivables	3 863	2 581	49.7	3 617
Contract assets	1 823	2 510	-27.4	2 450
Deferred tax assets	6 464	10 724	-39.7	10 362
Non-current assets	137 864	160 323	-14.0	158 910
Current assets				
Trade receivables	28 527	23 373	22.0	24 534
Other receivables	7 000	6 413	9.2	6 880
Contract assets	3 045	3 478	-12.4	3 446
Income tax receivables	186	314	-40.6	358
Cash and cash equivalents	41 413	23 610	75.4	20 683
Current assets	80 171	57 188	40.2	55 900
ASSETS	218 035	217 511	0.2	214 811

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	June 30, 2018	June 30, 2017	Change, %	Dec. 31, 2017
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	3 528	3 528		3 528
Share premium account	1 187	1 187		1 187
Treasury shares	-638	-841	-24.2	-841
Invested unrestricted equity fund	110 928	111 132	-0.2	111 132
Other reserves	628	540	16.4	592
Translation differences	-10 124	-8 868	14.2	-11 229
Retained earnings	10 836	11 166	-2.9	8 920
Shareholders' equity	116 347	117 843	-1.3	113 289
Non-current liabilities				
Deferred tax liability	4 686	5 395	-13.2	4 569
Interest-bearing liabilities	43 738	18 184	140.5	47 286
Other non-current financial liabilities	146	1 171	-87.6	1 693
Contract liabilities	2 769	3 717	-25.5	2 374
Liabilities from employee benefits	452	598	-24.4	434
Non-current liabilities	51 790	29 065	78.2	56 357
Current liabilities				
Interest-bearing liabilities	4 539	22 096	-79.5	1 996
Trade payables and other liabilities	25 614	26 213	-2.3	31 409
Contract liabilities	18 837	19 878	-5.2	10 656
Income tax liabilities	69	196	-64.8	177
Current provisions	806	2 220	-63.7	928
Current liabilities	49 864	70 602	-29.4	45 165
Interest-free liabilities held for sale	34	0		0
EQUITY AND LIABILITIES	218 035	217 511	0.2	214 811

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Share capital	Share premium account	Treasury shares	Inv. un-restricted equity	Other reserves	Translation differences	Retained earnings	Total
SHAREHOLDERS' EQUITY Jan. 1, 2018	3 528	1 187	-841	111 131	592	-11 229	8 920	113 289
Effect of IFRS 9 restatement – bad debt provision							-128	-128
Effect of IFRS 2 amendment							1 043	1 043
SHAREHOLDERS' EQUITY Jan. 1, 2018 (restated)	3 528	1 187	-841	111 131	592	-11 229	9 835	114 204
Comprehensive income						1 102	671	1 773
Share based payments			204	-204			314	314
Defined benefit plan						2	18	20
Cash flow hedges					36			36
SHAREHOLDERS' EQUITY Jun. 30, 2018	3 528	1 187	-638	110 928	628	-10 124	10 836	116 347

EUR thousand	Share capital	Share premium account	Treasury shares	Inv. un-restricted equity	Other reserves	Translation differences	Retained earnings	Total
SHAREHOLDERS' EQUITY Jan. 1, 2017	3 528	1 187	-1 043	111 333	540	-4 863	22 182	132 864
Effect of IFRS 15 restatement to revenue						86	-2 495	-2 409
SHAREHOLDERS' EQUITY Jan. 1, 2017 (restated)	3 528	1 187	-1 043	111 333	540	-4 776	19 687	130 455
Effect of IFRS 15 restatement to revenue							7	7
Comprehensive income						-4 092	-8 794	-12 886
Share based payments			202	-202			328	328
Defined benefit plan							-62	-62
SHAREHOLDERS' EQUITY Jun. 30, 2017 (restated)	3 528	1 187	-841	111 131	540	-8 869	11 166	117 843

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CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	4-6/2018	4-6/2017	1-6/2018	1-6/2017	1-12/2017
Cash flows from operating activities					
Profit/loss for the period	-5 746	-3 416	671	-8 787	-11 524
Adjustments for profit:					
Depreciation and amortisation	2 742	2 469	5 372	5 061	10 108
Share of profit/loss of a joint venture	0	396	153	878	1 048
Gain (-) / loss (+) on disposals of assets	0	0	-16 276	0	0
Unrealised foreign exchange gains and losses	-216	364	-35	615	764
Financial income and expenses	510	118	922	414	1 002
Tax on income from operations	-966	-207	4 359	-913	-752
Other adjustments	1 557	309	729	472	642
Total adjustments	3 628	3 450	-4 776	6 528	12 812
Changes in working capital:					
Increase (-) / decrease (+) in trade and other receivables	880	1 926	-2 791	-321	-3 123
Increase (+) / decrease (-) in trade and other payables	-6 855	-4 446	7 421	9 763	4 766
Increase (+) / decrease (-) in provisions	787	-1 561	-65	-2 852	-4 141
Total changes in working capital	-5 188	-4 081	4 565	6 590	2 499
Financial items in operating activities	-458	-121	-873	-416	-958
Income taxes paid (-) / received (+)	-92	-668	-332	-1 280	-1 832
Cash flows from operating activities	-7 856	-4 837	-745	2 634	-4 001
Cash flows used in investing activities					
Purchase of tangible and intangible assets	-3 667	-3 325	-6 515	-7 261	-12 485
Net proceeds from sale of tangible and intangible assets*	-1 466	0	28 955	0	0
Cash flows from investing activities	-5 133	-3 325	22 440	-7 261	-12 485
Cash flows from financing activities					
Repayment of current borrowings	0	0	-998	-7 000	-27 998
Proceeds from non-current borrowings	0	0	0	0	30 000
Cash flows from financing activities	0	0	-998	-7 000	2 002
Net change in cash and cash equivalents	-12 988	-8 162	20 698	-11 626	-14 484
Cash and cash equivalents at the beginning of period	54 183	32 281	20 683	35 755	35 755
Net foreign exchange difference	218	-509	32	-519	-588
Cash and cash equivalents at the end of period	41 413	23 610	41 413	23 610	20 683

*Includes proceeds and disbursements directly attributable to the divestments made in Q1 2018

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ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34. The same accounting principles have been followed as in the annual financial statements except for the adoption of new standards and amendments effective as of January 1, 2018.

Preparation of financial statements in accordance with IFRS 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. Percentage changes for net figures are shown on an absolute basis.

New and amended IFRS standards

Basware has adopted IFRS 15 *Revenue from Contracts with Customers* as of January 1, 2018 (mandatory application), with full retrospective application. Revenue for different revenue types are recognized over time except for licenses which is recognized at a point in time. As the new standard affects only a minority of the Group's customer contracts, the impact of the standard on the Group's 2017 restated total revenue is not material, being EUR -74 thousand in total. However, as a result of the application of the standard, part of Cloud revenue will be recognized later and part of Non-cloud revenue earlier compared to the previous revenue recognition standard. Due to this, 2017 restated IFRS 15 Cloud revenue is EUR 1 667 thousand lower and Non-cloud revenue EUR 1 596 thousand higher compared to the reported revenue.

In connection with the IFRS 15 application, the Group has made certain changes in the revenue allocation between Cloud and Non-cloud. Revenues related to dedicated customer services as part of SaaS subscriptions will now be allocated as Cloud revenues. This reallocation does not impact total Group revenue. However, for 2017 a total of EUR 2 830 thousand of revenues reported as part of Non-cloud is now recorded as Cloud revenue.

The total net impact of IFRS 15 restatements and the changes in revenue allocation between Cloud and Non-cloud for full year 2017 is EUR -74 thousand on Group level, with Cloud revenue increasing EUR 1 163 thousand and Non-cloud revenue decreasing EUR 1 236 thousand. As a result, the share of Cloud revenue of the Group's total 2017 revenue has increased slightly.

Net sales by revenue type after IFRS 15 restatements and changes in revenue allocation

Net sales by revenue type EUR thousand	1-3/ 2017	4-6/ 2017	7-9/ 2017	10-12/ 2017
Cloud Revenue				
SaaS	8 002	8 372	8 903	9 532
Transaction services	9 471	9 573	9 875	10 770
Other cloud revenue	1 444	1 807	1 274	1 310
Cloud Revenue total	18 917	19 752	20 052	21 612
Non-Cloud Revenue				
Maintenance	9 849	9 357	8 965	8 856
License sales	900	1 120	790	1 383
Consulting services	7 071	7 165	6 063	7 447
Other non-cloud revenue	73	-105	-42	-54
Non-Cloud Revenue total	17 893	17 536	15 776	17 631
Group Total	36 810	37 287	35 827	39 243

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IFRS 15 restatements increased the Group's non-current assets on December 31, 2017 by EUR 2 082 thousand, current assets by EUR 1 181 thousand, non-current liabilities by EUR 2 374 thousand, current liabilities by EUR 3 525 thousand, and decreased equity by EUR 2 636 thousand. IFRS 15 restatements had no material impact on basic or diluted EPS, and no impact on cash flows.

IFRS 15 restatements and the changes in revenue allocation between Cloud and Non-cloud also affect the subscription annual recurring revenue gross order intake reported in 2017. The restated numbers are outlined below also adjusting for the effect of the divested businesses. The annual recurring revenue gross order intake related to the divested businesses was EUR 1.3 million in 2017.

Purchase-to-pay subscription annual recurring revenue gross order intake after IFRS 15 restatements and changes in revenue allocation, and adjusting for divestments:

Annual recurring revenue gross order intake EUR thousand	4-6/ 2018	1-3/ 2018	10-12/ 2017	7-9/ 2017	4-6/ 2017	1-3/ 2017
Purchase-to-Paysubscriptions	3 449	2 742	2 943	1 988	3 809	2 506

Basware has adopted IFRS 9 *Financial Instruments* (effective date January 1, 2018), which replaces the previous IAS 39 *Financial Instruments: Recognition and Measurement*. The main impact of IFRS 9 concerns the timing of recording expected credit losses. IFRS 9 has not been applied retrospectively.

The Group has adopted the amendment to IFRS 2 *Share-based Payment* (effective date January 1, 2018). The amendment concerns incentive schemes with "net settlement" features to cover withholding tax obligations and where the employer has an obligation to withhold tax from the received benefit of the share-based payment in the country in question. From 2018 onwards, a compensation cost pursuant to IFRS 2 will be recognized for such payments, based on the entire scheme being an equity-settled payment.

DEFINITION OF ALTERNATIVE PERFORMANCE MEASURES

Basware presents the following financial measures to supplement its consolidated financial statements which are prepared in accordance with IFRS. These measures are designed to measure growth and provide insight into the company's underlying operational performance. The Group has applied the guidance from the European Securities and Markets Authority (ESMA) on Alternative Performance Measures which is applicable as of July 3, 2016, and defined alternative performance measures as follows:

Cloud revenue includes net sales from SaaS and other subscription types, transaction services and financing services excluding alliance fees.

Non-cloud revenue includes net sales from licences, maintenance and consulting, as well as alliance fees.

Organic revenue growth is calculated by comparing net sales between comparison periods in constant currencies excluding alliance fees as well as net sales from acquisitions or disposals that have taken place in the past 12 months.

Net sales in constant currencies is calculated by eliminating the impact of exchange rate fluctuations by calculating the net sales for the current period by using the comparable period's exchange rates.

Gross investments are total investments made to non-current assets including acquisitions and capitalized research and development costs.

Other capitalized expenditure consists of investments in property, plant & equipment and intangible assets excluding acquisitions and capitalized research and development costs.

EBITDA is calculated as operating profit/loss plus depreciation and amortization.

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Adjusted EBITDA is calculated from EBITDA excluding any adjustments related to alliance fees, acquisitions and disposals, restructuring and efficiency measures, impairment losses and litigation fees and settlements.

Adjusted operating profit/loss (Adjusted EBIT) is calculated from operating profit/loss excluding any adjustments related to alliance fees, acquisitions and disposals, restructuring and efficiency measures, impairment losses and litigation fees and settlements.

Adjusted earnings per share (Adjusted EPS) is calculated by excluding from the profit/loss any adjustments related to alliance fees, acquisitions and disposals, restructuring and efficiency measures, impairment losses and litigation fees and settlements.

Annual recurring revenue gross order intake is calculated by summing the total order intake in the period expressed as an annual contract value. For cloud order intake this includes all SaaS and Network recurring revenues including transaction revenues. For the subscription order intake this includes SaaS and other purchase-to-pay subscription types and excludes transaction revenue. Gross order intake covers new cloud customers, add-ons and renewal uplifts but excludes churn. There will be a time lag before this order intake is visible in net sales.

Historical quarterly order intake for cloud and purchase-to-pay subscriptions is shown below:

Annual recurring revenue gross order intake EUR thousand	4-6/ 2018	1-3/ 2018	10-12/ 2017	7-9/ 2017	4-6/ 2017	1-3/ 2017
Cloud	6 392	4 657	4 948	3 475	5 496	4 024
Purchase-to-Paysubscriptions	3 449	2 742	2 943	1 988	3 809	2 506

Adjusted operating profit/loss and adjusted EBITDA

EUR thousand	4-6/ 2018	4-6/ 2017	Change, %	1-6/ 2018	1-6/ 2017	Change, %	1-12/ 2017
Operating profit/loss	-6 329	-2 769	-128.6	6 166	-7 853		-9 509
Adjustments:							
Acquisition, disposal and restructuring income (-)	-697	-133		-17 205	-133		-133
Acquisition, disposal and restructuring expenses (+)	809	40		2 082	139		416
Efficiency related expenses	801	711	12.6	924	1 511	-38.8	2 023
Settlements	0	0		0	0		389
Total adjustments	913	618	47.6	-14 199	1 517		2 695
Adjusted operating profit/loss	-5 416	-2 151	-151.8	-8 033	-6 336	-26.8	-6 814
Depreciation and amortization	-2 742	-2 469	11.1	-5 372	-5 061	6.1	10 108
Adjusted EBITDA	-2 674	318		-2 661	-1 275	-108.7	3 294

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DIVESTMENTS

Basware signed an agreement on February 2, 2018 to sell its Financial Performance Solutions and Banking businesses to Verdane Capital. The divestments were completed on February 28, 2018 and starting from March 1, 2018 Basware Group has not consolidated these businesses in its consolidated financial statements.

In 2017, the combined net sales of Financial Performance Solutions and Banking businesses were approximately EUR 15 million and combined direct costs approximately EUR 7 million.

The combined sale price of the two businesses was EUR 35.0 million, and after purchase price adjustments related mainly to net working capital, the net cash proceeds from the divestments are estimated to be EUR 30.1 million. In addition EUR 14.0 million of consolidated goodwill has been allocated to the divested businesses, and EUR 4.8 million of fixed assets, mainly capitalized research and development expenses, was written down. In total, the Group recognized a gain on sale of assets amounting to EUR 16.3 million in the first quarter as a result of the divestments. Tax impact of the divestments will be covered by deferred tax assets recognized for accumulated tax losses.

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SEGMENT REPORTING

Basware reports one operating segment. The reported segment is comprised of the entire Group, and the segment figures are consistent with the Group figures.

INFORMATION ON PRODUCTS AND SERVICES

Basware reports revenues by type. Cloud revenue includes SaaS, Transaction services (consisting of e-invoicing, scan and capture services, printing services and network start-up fees) and Other cloud revenue. Non-cloud revenue includes Maintenance, License sales, Consulting services (consisting of professional services and customer services management) and Other non-cloud revenue.

Net sales by revenue type EUR thousand	4-6/ 2018	4-6/ 2017	Change, %	1-6/ 2018	1-6/ 2017	Change, %	1-12/ 2017
Cloud Revenue							
SaaS	9 663	8 372	15.4	19 239	16 373	17.5	34 808
Transaction services	10 900	9 573	13.9	21 376	19 044	12.2	39 689
Other cloud revenue	1 220	1 807	-32.5	2 511	3 251	-22.8	5 835
Cloud Revenue total	21 783	19 752	10.3	43 126	38 668	11.5	80 332
Non-Cloud Revenue							
Maintenance	6 226	9 357	-33.5	14 062	19 206	-26.8	37 026
License sales	646	1 120	-42.3	1 189	2 020	-41.1	4 192
Consulting services	6 201	7 165	-13.5	12 538	14 235	-11.9	27 746
Other non-cloud revenue	114	-105		25	-32		-129
Non-Cloud Revenue total	13 186	17 536	-24.8	27 813	35 429	-21.5	68 836
Group Total	34 969	37 287	-6.2	70 939	74 097	-4.3	149 167

GEOGRAPHICAL INFORMATION

From Q1 2018, the company has changed the presentation of its geographical information. Basware reports geographical areas Americas, Europe, Nordics and APAC. Americas includes business operations in North and South America. Europe includes operations in Europe and Russia, excluding the Nordic countries (Denmark, Finland, Norway and Sweden), which are reported separately. APAC includes operations in Asia and the Pacific region.

Net sales by the location of customer EUR thousand	4-6/ 2018	4-6/ 2017	Change, %	1-6/ 2018	1-6/ 2017	Change, %	1-12/ 2017
Americas	6 572	6 499	1.1	12 707	12 362	2.8	24 403
Europe	11 912	10 977	8.5	23 595	21 833	8.1	45 401
Nordics	14 732	17 988	-18.1	31 246	36 198	-13.7	71 818
APAC	1 754	1 823	-3.8	3 390	3 704	-8.5	7 545
Group total	34 969	37 287	-6.2	70 938	74 097	-4.3	149 167

Personnel Employed, on average	4-6/ 2018	4-6/ 2017	Change, %	1-6/ 2018	1-6/ 2017	Change, %	1-12/ 2017
Americas	137	128	7.0	136	131	4.1	131
Europe	464	485	-4.3	463	488	-5.0	475
Nordics	483	555	-12.9	509	566	-10.1	558
APAC	674	670	0.6	680	663	2.7	673
Group total	1 758	1 837	-4.3	1 788	1 847	-3.2	1 838

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FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

EUR thousand	June 30, 2018		June 30, 2017		Dec. 31, 2017	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Financial assets						
Non-current:						
Non-current financial assets	38	38	38	38	38	38
Non-current trade and other receivables	1 216	1 216	1 120	1 120	1 400	1 400
Current:						
Current trade receivables	28 527	28 527	23 373	23 373	24 534	24 534
Current other receivables	64	64	119	119	182	182
Cash and cash equivalents	41 413	41 413	23 610	23 610	20 683	20 683
Financial liabilities						
Non-current:						
Financial liabilities valued at amortized acquisition cost:						
Loans from financial institutions, interest-bearing	43 738	43 738	18 184	18 184	47 286	47 286
Current:						
Loans from financial institutions, interest-bearing	4 546	4 546	22 096	22 096	1 996	1 996
Trade payables and other liabilities	10 362	10 362	10 030	10 030	12 532	12 532

Derivative financial instruments of EUR 36 thousand are classified as level 2 and unquoted equity shares of EUR 38 thousand as level 3 in the fair value measurement hierarchy.

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COMMITMENTS AND CONTINGENT LIABILITIES

EUR thousand	June 30, 2018	June 30, 2017	Dec. 31, 2017
Own guarantees			
Business mortgages of own debts	0	1 200	1 200
Guarantees	413	234	202
Commitments on behalf of subsidiaries and group companies			
Guarantees	327	100	100
Other own guarantees			
Lease liabilities			
Current lease liabilities	931	959	850
Lease liabilities maturing in 1–5 years	1 021	860	847
Total	1 952	1 818	1 697
Other rental liabilities			
Current rental liabilities	6 229	5 763	6 424
Rental liabilities maturing in 1–5 years	8 112	10 690	11 368
Rental liabilities maturing later	82	0	180
Total	14 423	16 453	17 973
Other own contingent liabilities, total	16 375	18 271	19 670
Total commitments and contingent liabilities	17 115	19 805	21 172

RELATED PARTY TRANSACTIONS

Loans from related parties

EUR thousand	June 30, 2018	June 30, 2017	Dec. 31, 2017
Arrowgrass Master Fund LTD	10 000	0	10 000

Loans from related parties includes the share of Arrowgrass Master Fund LTD of the Group's term loan financing signed in September 2017 and totaling EUR 30 million. The other lenders are Nordea Bank AB, OP Corporate Bank Plc and Ilmarinen Mutual Pension Insurance Company. Loans from related parties have been provided at commercial interest rates.

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GROUP QUARTERLY INCOME STATEMENT

EUR thousand	4-6/ 2018	1-3/ 2018	10-12/ 2017	7-9/ 2017	4-6/ 2017	1-3/ 2017
NET SALES	34 969	35 969	39 243	35 827	37 287	36 810
Cost of sales	-18 580	-17 913	-19 087	-16 966	-19 363	-20 476
GROSS PROFIT/LOSS	16 389	18 056	20 156	18 862	17 924	16 334
Sales and Marketing	-10 434	-9 879	-9 947	-7 809	-9 304	-9 395
Research and Development	-6 964	-6 811	-7 603	-6 539	-7 657	-7 830
General and Administration	-4 315	-3 868	-4 465	-3 052	-3 335	-3 257
Total operating expenses	-21 712	-20 558	-22 015	-17 400	-20 296	-20 483
Other operating income and expenses	-1 006	14 997	-1 003	-257	-397	-934
OPERATING PROFIT/LOSS	-6 329	12 495	-2 862	1 205	-2 769	-5 084
% of net sales		34.7 %		3.4 %		
Finance income and expenses	-382	-600	-349	-401	-457	-512
Share of results of a joint venture	0	-153	-53	-117	-396	-482
Profit/loss before tax	-6 712	11 741	-3 264	688	-3 623	-6 077
% of net sales		32.6 %		1.9 %		
Income taxes	966	-5 325	-168	7	207	706
PROFIT/LOSS FOR THE PERIOD	-5 746	6 416	-3 431	694	-3 416	-5 371
% of net sales		17.8 %		1.9 %		

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GROUP KEY INDICATORS

EUR thousand	1-6/2018	1-6/2017	1-12/2017
Net sales	70 939	74 097	149 167
Growth of net sales, %	-4.3 %	1.4 %*	0.4 %*
Organic revenue growth	6.1 %	1.8 %*	1.5 %*
EBITDA	11 538	-2 792	599
% of net sales	16.3 %		0.4 %
Adjusted EBITDA	-2 661	-1 275	3 294
% of net sales			2.2 %
Operating profit/loss	6 166	-7 853	-9 509
% of net sales	8.7 %		
Adjusted operating profit/loss	-8 033	-6 336	-6 814
% of net sales			
Profit/loss before tax	5 030	-9 700	-12 276
% of net sales	7.1 %		
Profit/loss for the period	671	-8 787	-11 524
% of net sales	0.9 %		
Return on equity, %	1.2 %	-14.0 %	-9.4 %
Return on investment, %	7.5 %	-9.7 %	-5.8 %
Interest-bearing liabilities	48 277	40 280	49 282
Cash and cash equivalents**	41 413	23 610	20 683
Gearing, %	5.9 %	14.1 %	25.2 %
Equity ratio, %	53.4 %	54.2 %	52.7 %
Total assets	218 035	217 511	214 811
Gross investments	6 554	7 224	12 498
% of net sales	9.2 %	9.7 %	8.4 %
R&D investments, expensed***	10 819	12 872	24 372
R&D costs, capitalised	4 892	5 366	9 879
R&D investments, total	15 711	18 238	34 251
% of net sales	22.1 %	24.6 %	23.0 %
Depreciation and amortization	5 372	5 061	10 108
Other capitalised expenditure	1 545	1 858	2 620
Personnel expenses	50 008	51 835	99 083
Personnel on average during the period	1 788	1 847	1 838
Personnel at end of period	1 745	1 838	1 829
Change in personnel from comparison period, %	-5.1 %	0.6 %	-3.2 %

* Based on IFRS15 restated revenue including reallocations for 2017 and reported revenue for 2016

** Including short term deposits maturing within 3 months from the period end

*** R&D expenses excluding depreciation

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Group Share Indicators	1-6/2018	1-6/2017	1-12/2017
Earnings per share, undiluted (EUR)	0.05	-0.61	-0.80
Earnings per share, diluted (EUR)	0.05	-0.61	-0.80
Adjusted earnings per share, undiluted (EUR)	-0.94	-0.51	-0.61
Adjusted earnings per share, diluted (EUR)	-0.94	-0.51	-0.61
Equity per share (EUR)	8.10	8.21	7.89
Price per earnings (P/E)	771.23	-64.45	-59.18
Share price performance (EUR)			
- lowest price	34.20	31.96	31.96
- highest price	47.60	39.50	47.50
- average price	42.45	35.13	38.84
- closing price	36.00	39.45	47.50
Market capitalization at end of period* (EUR)	517 337 136	566 490 283	682 085 892
Share issue adjusted number of traded shares	1 282 657	811 865	1 681 791
% of average number of shares	8.9 %	5.7 %	11.7 %
Number of shares*			
- at end of the period	14 370 476	14 359 703	14 359 703
- average during the period	14 365 138	14 354 944	14 357 343
- average during the period, diluted	14 424 043	14 371 672	14 406 674

* Excluding treasury shares

SHARE AND SHAREHOLDERS

Basware Corporation's share capital totalled EUR 3 528 368 (3 528 368) at the end of the quarter and the number of shares was 14 401 936 (14 401 936). Basware Corporation holds 31 460 (45 189) of its own shares, corresponding to approximately 0.2 percent (0.3 %) of the total number of shares.

Basware had 11 388 (12 278) shareholders at the end of the quarter, including 9 nominee-registers (9). Nominee-registered holdings accounted for 51.6 percent (39.6 %) of the total number of shares.

In its meeting on June 13, 2018, the Board of Directors confirmed the criteria for the performance period 2018-2019 of the company's Performance Share Plan 2017-19. The potential reward for the performance period 2018-2019 will be based on the Group's key performance measures in 2018. The rewards to be paid on the basis of the performance period 2018-2019 correspond to the value of a maximum total of 156 000 Basware Corporation shares, including also the proportion to be paid in cash. The plan is directed to approximately 75 key employees, including the members of the Basware Executive Team.

The company's Annual General Meeting of March 15, 2018 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 major shareholders is available on the company's investor website at investors.basware.com/en.