

A man with a beard is shown in profile, looking towards the left. The background is a bokeh of colorful lights, suggesting an urban night scene. The image is framed by a dark, diagonal shape that cuts across the frame.

basware

Simplify Operations, Spend Smarter.

INTERIM REPORT

January-September 2020

Q3/2020

Basware Interim Report January-September 2020: Strong profitability and operating cash flow development, guidance updated

July-September 2020

- Cloud ARR order intake amounted to EUR 3.6 million (EUR 5.5 million)
- Net sales decreased 0.1 percent to EUR 36,772 thousand (EUR 36,823 thousand), which amounted to 1.2 percent organic growth at constant currencies
- Cloud revenue increased 8.1 percent to EUR 27,037 thousand (EUR 25,018 thousand), which amounted to 9.7 percent organic growth at constant currencies
- EBIT amounted to EUR 2,069 thousand (EUR 940 thousand)
- Earnings per share (diluted) were EUR -0.06 (EUR -0.13)

January-September 2020

- Cloud ARR order intake amounted to EUR 13.3 million (EUR 16.8 million)
- Net sales increased 3.4 percent to EUR 112,787 thousand (EUR 109,038 thousand), which amounted to 4.1 percent organic growth at constant currencies
- Cloud revenue increased 10.3 percent to EUR 81,652 thousand (EUR 74,052 thousand), which amounted to 10.8 percent organic growth at constant currencies
- EBIT amounted to EUR 3,454 thousand (EUR -13,022 thousand)
- Earnings per share (diluted) were EUR -0.38 (EUR -1.35)

Key figures

EUR thousand	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	2019
Net sales	36,772	36,823	-0.1	112,787	109,038	3.4	148,302
Cloud revenue	27,037	25,018	8.1	81,652	74,052	10.3	101,442
Cloud ARR order intake	3,599	5,455	-34.0	13,348	16,821	-20.6	23,694
EBIT	2,069	940		3,454	-13,022		-14,537
EBITDA	5,936	4,913	20.8	15,162	-991		1,403
Gearing, % ¹	52.1	45.4	15.1	52.1	45.4	15.1	48.9
Cash and cash equivalents ¹	38,427	30,640	25.4	38,427	30,640	25.4	31,672
Cash flows from operating activities	7,525	1,474		19,619	-564		4,159
Free cash flow metric	-214	-1,445	85.2	-5,087	-19,055	73.3	-23,829
Earnings per share, diluted, EUR	-0.06	-0.13	55.3	-0.38	-1.35	71.7	-1.63
Personnel ¹	1,323	1,299	1.8	1,323	1,299	1.8	1,325

¹ At the end of the period.

The interim report is unaudited.

Guidance for 2020 updated

Basware updates full year guidance.

For 2020, Basware expects the following:

- Net Sales to grow around 3 percent on an organic constant currency basis
- EBIT to be between EUR 3.5 and 4.5 million

Previous guidance as given on April 21, 2020:

Due to the COVID-19 pandemic, the current economic outlook in Basware's main markets involve significant uncertainties. Basware assumes that global business activity will be negatively impacted in the second and third quarters, and in the fourth quarter business activity will gradually head towards more normal conditions. Net Sales guidance will be given when it is possible to estimate the COVID-19 pandemic effects more precisely.

Basware's cost base is scalable and has variable cost components that can be reduced to a certain extent to maintain profitability. EBIT for 2020 is expected to be positive.

CEO Klaus Andersen:

"Basware's revenue and profitability developed in line with our expectations during the third quarter of the year. EBIT amounted to EUR 2.1 million, which is approximately one million Euro improvement in comparison to third quarter of 2019. Our operating cash flow has developed well and amounted to EUR 7.5 million, c. EUR 6 million higher than in the third quarter of 2019.

Global companies from various industries such as Cision, AB Agri and Eastman Kodak Company chose Basware's networked Purchase-to-Pay and e-invoicing services in the third quarter. Cloud order intake amounted to EUR 3.6 million. Similar to the second quarter of 2020 the order intake consisted of expansion sales, transformations and medium sized new customers, whereas in the third quarter of 2019 we signed a very significant new customer deal in North America.

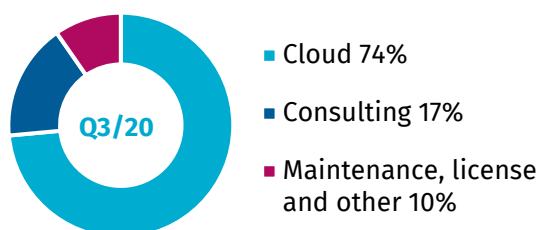
In line with our strategy to provide an open platform that seamlessly integrates with best-of-breed specialist systems, we launched a new developer portal for our open APIs. In addition, we continued to expand our partner network on both the technology and advisory partner front with Sievo and ExcleratedS2P. Sievo, a procurement analytics company, offers our customers additional insights to and analysis of their spend. Our best-in-class open networked Purchase-to-Pay platform is a good match with ExcleratedS2P's procurement and finance technology consulting and implementation experience.

I am pleased to note that our profitability development has proceeded well this year. We have updated our revenue and profitability guidance for full year 2020. Net sales are estimated to grow around 3 percent on an organic constant currency basis and EBIT is expected to be between EUR 3.5 and 4.5 million. Short-term uncertainties remain due to Covid-19 however we continue to gain more confidence in our full year performance and the long-term demand megatrends such as automation and digitalization remain very strong."

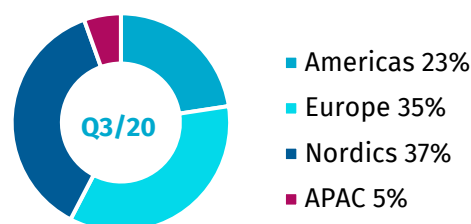
Net sales

Net sales by revenue type, EUR thousand	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	2019
Cloud	27,037	25,018	8.1	81,652	74,052	10.3	101,442
Consulting	6,180	6,491	-4.8	19,873	17,984	10.5	24,962
Maintenance, license and other	3,555	5,314	-33.1	11,261	17,003	-33.8	21,899
Total	36,772	36,823	-0.1	112,787	109,038	3.4	148,302
Net sales by customer location, EUR thousand	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	2019
Americas	8,308	8,434	-1.5	25,953	23,253	11.6	31,796
Europe	12,885	12,731	1.2	38,673	36,710	5.3	50,687
Nordics	13,565	13,561	0.0	42,090	42,709	-1.4	57,441
APAC	2,013	2,096	-3.9	6,070	6,366	-4.7	8,379
Total	36,772	36,823	-0.1	112,787	109,038	3.4	148,302

Net sales by revenue type



Net sales by customer location



Basware's net sales for the third quarter amounted to EUR 36,772 thousand (EUR 36,823 thousand), a decrease of 0.1 percent. This equated to 1.2 percent organic growth at constant currencies.

Basware's net sales year-to-date amounted to EUR 112,787 thousand (EUR 109,038 thousand), an increase of 3.4 percent. This equated to 4.1 percent organic growth at constant currencies.

Cloud revenues continued to grow during the third quarter. Cloud revenues in the third quarter were EUR 27,037 thousand (EUR 25,018 thousand), up by 8.1 percent, and accounted for 73.5 percent (67.9%) of net sales. This equated to 9.7 percent organic growth at constant currencies. Basware has not continued some non-strategic SaaS contracts which increased the cloud churn rate and which has an effect on the cloud revenue growth rate. The cloud revenue growth rate was also negatively impacted by the change in transaction volume mix as a result of the Covid-19 situation.

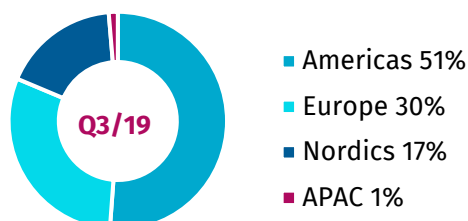
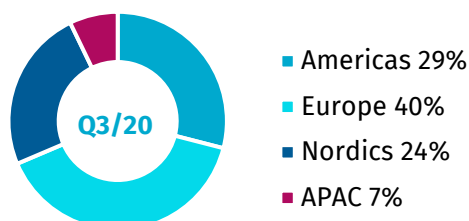
In the third quarter consulting revenues decreased 4.8 percent, which equated to 3.7 percent organic decrease at constant currencies. Due to Covid-19, consulting employees were actively encouraged to take unused vacation days during the third quarter, which had a negative impact on available capacity and consulting revenues.

Maintenance and license revenues declined in line with expectations as Basware transitions customers to the cloud. In the third quarter maintenance, license and other revenue decreased 33.1 percent, which equated to 32.4 percent organic decrease at constant currencies.

Cloud order intake

EUR thousand	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	2019
Cloud	3,599	5,455	-34.0	13,348	16,821	-20.6	23,694

Cloud order intake by customer location in Q3/2020 and Q3/2019



Basware's total cloud annual recurring revenue (ARR) gross order intake in the third quarter amounted to EUR 3,599 thousand (EUR 5,455 thousand), a decrease of 34.0 percent against a strong comparison period.

This equated to 35.4 percent decline on an organic constant currency basis. Order intake developed as expected from existing customers and new medium sized customers, but no big deals materialised in the quarter, which was the case in the comparison period.

Basware's cloud order intake year-to-date amounted to EUR 13,348 thousand (EUR 16,821 thousand), a decrease of 20.6 percent. This equated to 21.0 percent decline on an organic constant currency basis.

There will be a time lag before order intake is visible in net sales. Historically, around one quarter of new ARR order intake converts into revenues in the year that it is won, with roughly fifty to sixty percent converting to revenues in the second year and the remainder thereafter. Further information on the definition of annual recurring revenue gross order intake is included in the section on Definitions of Alternative Performance Measures and Key Indicators.

Financial performance

EUR thousand	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	2019
Net sales	36,772	36,823	-0.1	112,787	109,038	3.4	148,302
Cost of sales	-15,405	-16,550	-6.9	-49,467	-53,198	-7.0	-71,493
Gross profit	21,368	20,273	5.4	63,320	55,840	13.4	76,810
Sales and marketing	-8,885	-9,809	-9.4	-29,147	-33,392	-12.7	-45,190
Research and development	-6,546	-5,906	10.8	-19,238	-20,218	-4.8	-26,815
General and administration	-3,702	-3,576	3.5	-10,531	-10,856	-3.0	-14,572
Total operating expenses	-19,133	-19,292	-0.8	-58,916	-64,466	-8.6	-86,577
Other operating income and expenses	-165	-42		-949	-4,396	-78.4	-4,770
EBIT	2,069	940		3,454	-13,022		-14,537
Adjusted EBITDA	5,963	4,702	26.8	15,261	2,705		5,185

In the third quarter, cost of sales amounted to EUR 15,405 thousand (EUR 16,550 thousand), a decrease of 6.9 percent. The cloud gross margin was 68 percent in the third quarter, up 4 percent points in comparison to the third quarter of 2019.

Out of total operating expenses, sales and marketing expenses decreased 9.4 percent, research and development expenses increased 10.8 percent and general and administration expenses increased 3.5 percent. Sales and marketing costs reduced as a result of actions taken due to Covid-19 and as a result of the 2019 productivity programme. Research and development costs increased mainly due to higher amortizations from completed development projects.

Basware's research and development investments including capitalizations but excluding amortizations totalled EUR 5,924 thousand (EUR 6,121 thousand), or 16.1 percent (16.6%) of net sales during the quarter.

Basware's adjusted EBITDA was EUR 5,963 thousand (EUR 4,702 thousand) in the third quarter. The adjustments to EBITDA totalled EUR 28 thousand (EUR -211 thousand) in the quarter. Other operating income and expenses amounted to EUR -165 thousand (EUR -42 thousand).

Basware's EBIT for the quarter amounted to EUR 2,069 thousand (EUR 940 thousand).

Basware's adjusted EBITDA was EUR 15,261 thousand (EUR 2,705 thousand) and operating profit EUR 3,454 thousand (EUR -13,022 thousand) year-to-date.

Basware's loss before tax was EUR -760 thousand (EUR -2,008 thousand) and loss for the quarter EUR -824 thousand (EUR -1,839 thousand). Taxes for the quarter impacted the result by EUR -64 thousand (EUR 169 thousand).

Diluted earnings per share were EUR -0.06 (EUR -0.13) for the quarter.

Cash flows, financing and investments

Cash flows from operating activities developed strongly during the third quarter and were EUR 7,525 thousand (EUR 1,474 thousand). The improvement in cash flows compared to 2019 was mainly due to higher profitability and improved working-capital practices. Cash flows from operating activities were negatively impacted by the net repayment of circa EUR 1.3 million of a number of payment deferral opportunities offered by different entities as a result of the Covid-19 situation. EUR 3.2 million of payment deferrals are remaining to be repaid, mostly in the fourth quarter. The net impact on full year 2020 is not expected to be significant and does not impact the income statement.

Due to the uncertainty related to the market environment the company has reviewed the bad debt provision.

Basware's cash and cash equivalents including short-term deposits totalled EUR 38,427 thousand (EUR 30,640 thousand) at the end of the quarter.

Basware's total assets on the balance sheet at the end of the quarter were EUR 225,196 thousand (EUR 224,034 thousand). Net cash flows from investments were EUR -1,818 thousand (EUR -2,146 thousand) in the quarter.

The equity ratio was 37.6 percent (43.7%) and gearing 52.1 percent (45.4%). The company's interest-bearing liabilities excluding leasing liabilities totalled EUR 66,311 thousand (EUR 58,556 thousand), of which current liabilities accounted for EUR 2,172 thousand (EUR 1,996 thousand). The return on investment was 5.3 percent (2.0%) and return on equity -3.8 percent (-7.5%) in the quarter.

Free cash flow metric

The purpose of the free cash flow metric is to provide a clear view of all costs related to Basware's operations. From the second quarter of 2019 Basware publishes free cash flow metric on a quarterly basis to enable investors to track the progress towards the expectation that Basware reaches positive free cash flow on a run-rate basis by the end of 2020. The definition for free cashflow metric is disclosed in Definitions of Alternative Performance Measures and Key Indicators.

EUR thousand	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	2019
EBITDA	5,936	4,913	20.8	15,162	-991		1,403
Capitalizations	-2,010	-2,072	-3.0	-7,727	-8,029	-3.8	-10,617
Finance expenses	-2,974	-2,933	1.4	-8,860	-6,369	39.1	-9,091
Taxes, excl. deferred taxes	-188	-152	23.8	-924	-516	78.9	-1,341
Payment of lease liabilities	-967	-1,093	-11.5	-3,171	-3,126	1.4	-4,372
Share based compensation, share part	-11	-108	-90.0	432	-24		188
Free cash flow metric	-214	-1,445	85.2	-5,087	-19,055	73.3	-23,829

The free cash flow metric amounted to EUR -214 thousand (EUR -1,445 thousand) in the third quarter. The free cash flow metric improved in comparison to the third quarter of 2019 mainly due to improved profitability.

Personnel

Personnel on average by area	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	2019
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Americas	105	107	-1.9	107	125	-14.8	121
Europe	374	367	1.8	372	376	-1.2	374
Nordics	424	427	-0.6	427	442	-3.5	437
APAC	427	410	4.1	430	416	3.3	417
Total	1,330	1,311	1.4	1,334	1,360	-1.9	1,349

Basware employed 1,330 (1,311) people on average during the quarter and 1,323 (1,299) at the end of the quarter.

On September 30, 2020, 13.4 percent (14.5%) of the personnel worked in sales and marketing, 33.3 percent (33.9%) in R&D and production and products, 42.7 percent (41.4%) in customer services and 10.7 percent (10.2%) in administration.

Basware's personnel expenses were EUR 21,037 thousand (EUR 19,840 thousand) in the quarter. The personnel costs in the third quarter were lower than in the second quarter mainly due to seasonal reversal of holiday accruals.

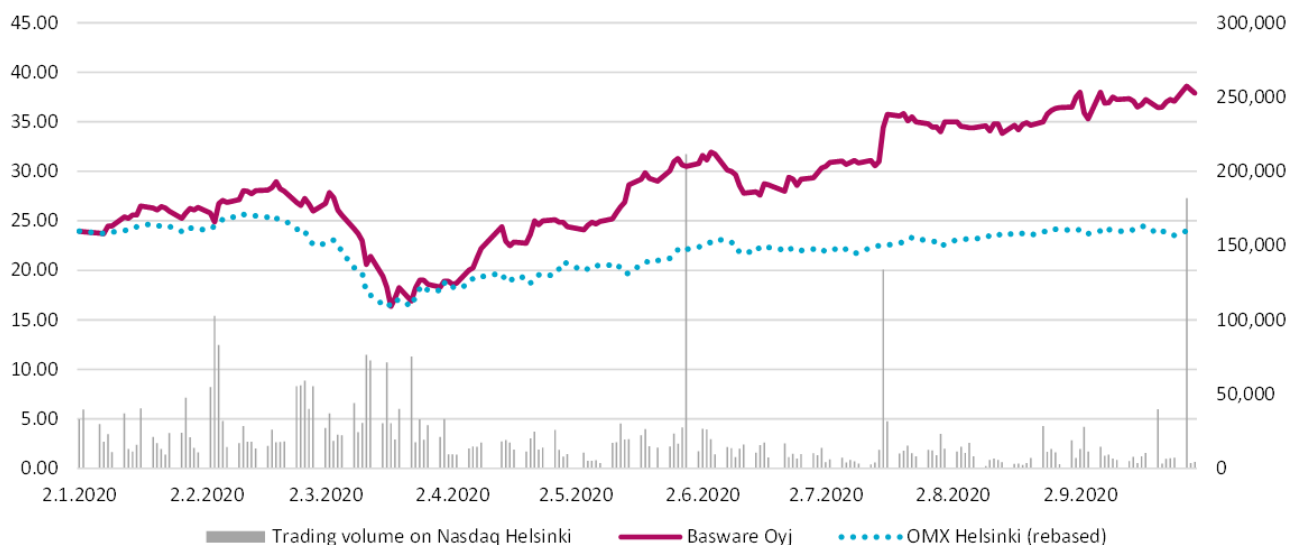
Share and shareholders

Share Indicators	1-9/2020	1-9/2019	2019
Share price performance, EUR			
- lowest price	15.66	16.76	16.76
- highest price	38.60	41.10	41.10
- average price	27.63	24.39	23.61
- closing price	37.90	22.00	23.75
Market capitalization at end of period ¹ , EUR	546,308,034	316,748,058	341,943,926
Number of shares ¹			
- at end of the period	14,414,460	14,397,639	14,397,639
- average during the period	14,405,003	14,385,542	14,388,469
- average during the period, diluted	14,638,120	14,455,764	14,473,519
Number of traded shares (share issue adjusted) in Nasdaq Helsinki	4,015,093	2,423,629	4,204,444
% of average number of shares	27.9%	16.8%	29.2%
Treasury shares held by the Company at end of the period	6,476	4,297	4,297
% of total shares	0.0%	0.0%	0.0%
Share capital, EUR	3,528,638	3,528,638	3,528,368
Earnings per share, undiluted, EUR	-0.38	-1.35	-1.63
Earnings per share, diluted, EUR	-0.38	-1.35	-1.63
Adjusted earnings per share, undiluted, EUR	-0.38	-1.09	-1.37
Adjusted earnings per share, diluted, EUR	-0.38	-1.09	-1.37
Equity per share, EUR	5.88	6.81	6.53
Price per earnings (P/E)	-99.12	-16.30	-14.58

¹ Excluding treasury shares

Basware had 12,394 (13,762) shareholders at the end of the quarter, including nominee-registers. Nominee-registered holdings accounted for 55.1 percent (55.5%) of the total number of shares.

Share price development and trading January 1 – September 30, 2020



(Source: Investis Digital)

Flagging notifications

During 2020, Basware Corporation received the following notifications from major shareholders:

Announcement date	Shareholder	Threshold	Total holding, %
February 11	Briarwood Chase Management LLC	Above 5%	5.00%
September 3	Arrowgrass Capital Partners LLP	Below 25%	22.6%
October 9	Bregal Milestone LP	Below 5%	0.0%
October 9	Briarwood Chase Management LLC	Above 10%	14.43%

Annual General Meeting and authorizations of the Board of Directors

Basware Corporation's Annual General Meeting 2020 was held on June 4, 2020. The Annual General Meeting adopted the financial statements and discharged the responsible parties from liability for the financial period January 1-December 31, 2019. The remuneration policy was adopted, and the Annual General Meeting decided that no dividend will be paid for the year 2019.

The Annual General Meeting decided the number of members of the Board of Directors to be five. Mr. Ilkka Sihvo, Mr. Michael Ingelög, Mr. Daryl Rolley and Mr. Asko Schrey were re-elected as members of the Board of Directors and Ms. Minna Smedsten was elected as a new member. In its organizing meeting, the Board of Directors elected Michael Ingelög as the Chair and Ilkka Sihvo as the Vice Chair of the Board. Minna Smedsten was elected as the Chair of the Audit Committee and Asko Schrey and Michael Ingelög as its members. Ilkka Sihvo was elected as the Chair of the Remuneration Committee and Daryl Rolley and Michael Ingelög as its members.

Ernst & Young Oy, Authorized Public Accounting Firm, was elected as the company's auditor.

The Board of Directors was authorized to decide on repurchasing a maximum of 1,420,000 company's own shares. The company's own shares shall be repurchased otherwise than in proportion to the holdings of the shareholders by using the non-restricted equity through trading on regulated market organized by Nasdaq Helsinki Ltd at the market price prevailing at the time of acquisition. The repurchase

authorization shall be valid for 18 months and it shall revoke the previous authorizations for repurchasing the company's own shares.

The Board of Directors was authorized to decide on issuing new shares or conveying the company's own shares held by the company or granting special rights entitling to shares. The Board of Directors may grant special rights, which carry the right to receive, against payment, new shares of the company or the company's own shares held by the company. A total maximum of 260,000 new shares may be issued or company's own shares held by the company may be conveyed for the purposes of company's incentive program, and in addition, a total maximum of 720,000 new shares may be issued or company's own shares held by the company may be conveyed for other purposes than company's incentive program. The subscription price of the new shares and the consideration payable for the company's own shares shall be recorded under the invested non-restricted equity fund. The Board of Directors shall decide on all other terms and conditions related to the authorizations. The authorizations shall be valid until for 18 months.

On June 4, 2020 Basware announced via stock exchange release the resolutions of the Annual General Meeting. The resolutions from Annual General Meetings are available on Basware's investor website at <https://investors.basware.com/en/annual-general-meeting>

Strategy

Basware is a global market leader in networked Purchase-to-Pay with the largest e-invoicing network in the world. The market opportunity is estimated to be worth EUR 15 billion annually and its driven by global megatrends such as digitalization and automation, increased regulation, rapid technological development and sustainability. Basware is focused on scalable growth and profitability, increasing operational efficiency in the strategic business and simplifying operations.

Basware's key growth markets are the US, UK, Germany and France, where the company sees the greatest opportunity to win new customers. Each of Basware's top 200 key customers brought on average approximately EUR 250 thousand annual recurring cloud revenue in 2019. Through add-on sales and geographical expansions, there is potential to increase the average revenue from customers.

Once Basware wins a new customer they typically stay with the company for many years. In 2019 Basware's gross renewal rate was 95 percent and net renewal rate was 104 percent. The gross margin for cloud revenues at the end of 2019 was 65 percent. Together these make the lifetime value of customer contracts high. In 2019 Basware had a customer lifetime value to customer acquisition cost ratio of 7 times.

Basware's long-term goal is to become the networked Source-to-Pay vendor of choice. Basware moves forward to its vision through five Must-Wins, which define strategic priorities for the period 2020-2022. The Must-Wins relate to customer satisfaction, project delivery capabilities, procurement solution, selling with advisory partners and cloud transformations. First Must-Win relates to customer satisfaction, which is a priority across all functions, from first contact to project delivery, products and support. Second Must-Win is enhancing delivery capabilities: each project should have the optimal resources for a timely customer delivery. Basware also needs to support the continuous improvement and change programs of customers. Thirdly, Basware's aim is to further strengthen its procurement solution and entire Source-to-Pay solution through partnerships and open API architecture. Fourthly, Basware aims to accelerate cloud growth through "sell with" advisory partners. Finally, the last Must-Win battle is to complete the last phase in customer cloud transformations and reallocate resources to long-term strategic areas.

Risks and uncertainty factors

Basware operates in a market where technological innovation plays 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. Basware invests in product development to ensure the

competitiveness of its product portfolio and good end-to-end quality, which impacts customer satisfaction, customer retention and expansion.

Basware has a growth strategy with high net sales growth expectations for the cloud business. Executing the strategy requires significant investments in sales and marketing and related resources in addition to optimized pricing model and efficient customer delivery. 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. The churn rate may increase as Basware consolidates its product portfolio to focus on strategic high gross margin business.

Market disruptions such as consolidation of significant competitors, aggressive entries of new competitors or emergence of disruptive technologies may be a risk to Basware's position as a market leader and to Basware's market share.

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 USD, GBP, 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. The uncertainty around the status of the UK in relation to the European Union may have a negative impact on Basware's ability to do business in the UK.

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.

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, external assessments as well as internal training of Basware's personnel.

The Covid-19 pandemic may have an impact on the timing of organisations' IT project decisions and implementations and on the global volume of invoices sent and received. This may impact Basware's order intake, revenues, operating profit and cash flow. Basware has a business continuity plan in place including extensive remote working capabilities across all functions, however should the Covid-19 situation materially affect employees' ability to work, this may disturb Basware's ability to serve its customers.

Other events of the quarter

On August 13, 2020, Basware announced that it had appointed Mogens Pedersen as Chief Technology Officer and Perttu Nihti as Chief Product Officer. Appointments were effective as of September 1, 2020 when both became members of the Executive Team, reporting to the CEO.

On September 2, 2020, Basware announced the composition of its Nomination Board: David Bateman, Arrowgrass Capital Partners LLP; Brian Nelson, Long Path Partners LP; Robert Blatt, Briarwood Chase Management LLC and Michael Ingelög, Chair of the Board of Directors of Basware Corporation.

Events after the quarter

On October 8, 2020, Basware issued 1,000 shares without consideration to the key persons participating in the Restricted Share Plan 2017. After the share issue, the company holds 5,476 shares.

On October 9, 2020, Basware received flagging notifications from Bregal Milestone L.P. and Briarwood Chase Management LLC according to which Briarwood Chase Management had acquired all warrants from Bregal Milestone. Bregal Milestone's holding of financial instruments in Basware decreased to zero percent. Briarwood Chase Management's holding of financial instruments increased to 6.94 percent and their total holding of both shares and financial instruments increased to 14.43 percent of total shares and votes in Basware.

Future outlook

Themes affecting revenues and EBIT

Basware aims for consistent cloud revenue growth. Cloud revenues are impacted by cloud order intake, churn and network transaction volume driven revenues. Approximately thirty percent of Basware's network transaction services revenues are subscription based. Cloud churn continues to be affected by non-strategic contracts which are not renewed.

Overall improvements in scalability and operational efficiency are expected to continue. However due to the Covid-19 situation there may be some impact to the timing of these improvements.

Consulting business productivity is expected to improve as a result of actions taken as part of the productivity programme launched in April 2019. Demand for consulting services is driven primarily by new customer wins and expansion sales to existing customers.

Revenues from maintenance and license will continue to decline as Basware transitions existing licence customers to cloud services. The rate of decline has been increased by end-of-life actions taken during 2019.

Guidance for 2020 updated

Basware updates full year guidance.

For 2020, Basware expects the following:

- Net Sales to grow around 3 percent on an organic constant currency basis
- EBIT to be between EUR 3.5 and 4.5 million

Previous guidance as given on April 21, 2020:

Due to the COVID-19 pandemic, the current economic outlook in Basware's main markets involve significant uncertainties. Basware assumes that global business activity will be negatively impacted in the second and third quarters, and in the fourth quarter business activity will gradually head towards more normal conditions. Net Sales guidance will be given when it is possible to estimate the COVID-19 pandemic effects more precisely.

Basware's cost base is scalable and has variable cost components that can be reduced to a certain extent to maintain profitability. EBIT for 2020 is expected to be positive.

Espoo, Finland, on Tuesday, October 20, 2020

BASWARE CORPORATION

Board of Directors

Klaus Andersen, CEO

SUMMARY OF FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS JANUARY 1 – SEPTEMBER 30, 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	2019
NET SALES	36,772	36,823	-0.1	112,787	109,038	3.4	148,302
Cost of sales	-15,405	-16,550	-6.9	-49,467	-53,198	-7.0	-71,493
GROSS PROFIT	21,368	20,273	5.4	63,320	55,840	13.4	76,810
Sales and marketing	-8,885	-9,809	-9.4	-29,147	-33,392	-12.7	-45,190
Research and development	-6,546	-5,906	10.8	-19,238	-20,218	-4.8	-26,815
General and administration	-3,702	-3,576	3.5	-10,531	-10,856	-3.0	-14,572
Total operating expenses	-19,133	-19,292	-0.8	-58,916	-64,466	-8.6	-86,577
Other operating income and expenses	-165	-42		-949	-4,396	-78.4	-4,770
OPERATING PROFIT/LOSS	2,069	940		3,454	-13,022		-14,537
Finance income and expenses	-2,829	-2,947	-4.0	-8,251	-6,366	29.6	-9,125
PROFIT/LOSS BEFORE TAX	-760	-2,008	62.2	-4,797	-19,388	-75.3	-23,663
Income tax	-64	169		-711	-28		223
PROFIT/LOSS FOR THE PERIOD	-824	-1,839	55.2	-5,508	-19,416	71.6	-23,440
Other comprehensive income							
Other comprehensive income that will not be reclassified to profit or loss							
Remeasurement of employee benefits	2	5	-58.9	0	-11	-96.0	-2
Other comprehensive income that may be reclassified subsequently to profit or loss							
Exchange differences on translating foreign operations	-1,806	1,853		-4,493	2,207		1,974
Cash flow hedges	-48	69		-248	97		-162
Income tax relating to components of other comprehensive income	9	-89		86	-163		-86
Other comprehensive income for the year net of tax	-1,843	1,838		-4,655	2,131		1,723
TOTAL COMPREHENSIVE INCOME	-2,667	-1		-10,163	-17,285	41.2	-21,716
Profit/loss attributable to:							
Equity holders of the parent company	-824	-1,839	55.2	-5,508	-19,416	71.6	-23,440
Total comprehensive income attributable to:							
Equity holders of the parent company	-2,667	-1		-10,163	-17,285	41.2	-21,716
Earnings per share							
undiluted, EUR	-0.06	-0.13	55.3	-0.38	-1.35	71.7	-1.63
diluted, EUR	-0.06	-0.13	55.3	-0.38	-1.35	71.7	-1.63

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	Sept 30, 2020	Sept 30, 2019	Change, %	Dec 31, 2019
ASSETS				
Non-current assets				
Intangible assets	42,675	44,468	-4.0	44,402
Goodwill	77,243	80,521	-4.1	80,345
Tangible assets	1,117	1,212	-7.9	1,075
Right-of-use assets	15,252	15,645	-2.5	15,842
Non-current financial assets	13	38	-65.0	38
Other receivables	3,303	3,831	-13.8	4,193
Contract assets	15	256	-94.2	168
Deferred tax assets	10,119	8,493	19.1	9,654
Non-current assets	149,737	154,464	-3.1	155,716
Current assets				
Trade receivables	27,740	27,663	0.3	27,424
Other receivables	7,922	8,428	-6.0	7,842
Contract assets	906	2,410	-62.4	1,561
Income tax receivables	463	428	8.1	366
Cash and cash equivalents	38,427	30,640	25.4	31,672
Current assets	75,459	69,570	8.5	68,865
ASSETS	225,196	224,034	0.5	224,581

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	Sept 30, 2020	Sept 30, 2019	Change, %	Dec 31, 2019
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	3,528	3,528	0.0	3,528
Share premium account	1,187	1,187	0.0	1,187
Treasury shares	0	-98	-100.0	-98
Invested unrestricted equity fund	110,290	110,388	-0.1	110,388
Other reserves	438	861	-49.1	653
Translation differences	-12,658	-8,022	57.8	-8,226
Retained earnings	-18,027	-9,750	84.9	-13,347
Shareholders' equity	84,759	98,095	-13.6	94,086
Non-current liabilities				
Deferred tax liability	5,109	4,993	2.3	5,003
Interest-bearing liabilities	64,138	56,560	13.4	58,889
Leasing liabilities, interest-bearing	12,468	13,145	-5.1	13,412
Contract liabilities	2,403	2,987	-19.6	3,184
Liabilities from employee benefits	383	386	-0.7	377
Non-current liabilities	84,502	78,071	8.2	80,864
Current liabilities				
Interest-bearing liabilities	2,173	1,996	8.8	1,996
Leasing liabilities, interest-bearing	3,834	3,385	13.3	3,392
Trade payables and other liabilities	28,513	22,740	25.4	28,468
Contract liabilities	20,861	19,172	8.8	15,260
Income tax liabilities	555	139		249
Current provisions	0	436	-100.0	266
Current liabilities	55,936	47,868	16.9	49,631
EQUITY AND LIABILITIES	225,196	224,034	0.5	224,581

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, 2020	3,528	1,187	-98	110,388	653	-8,226	-13,347	94,086
Comprehensive income						-4,432	-5,516	-9,949
Share based payments			98	-98			836	836
Defined benefit plan							0	0
Cash flow hedges					-214			-214
SHAREHOLDERS' EQUITY Sept 30, 2020	3,528	1,187	0	110,290	438	-12,658	-18,027	84,759

EUR thousand	Share capital	Share premium account	Treasury shares	Inv. Un-restricted equity	Other reserves	Translation differences	Retained earnings	Total
SHAREHOLDERS' EQUITY Jan 1, 2019	3,528	1,187	-638	110,928	832	-10,131	5,042	110,749
Comprehensive income						2,110	-19,414	-17,304
Share based payments			540	-540			-60	-60
Defined benefit plan							-11	-11
Cash flow hedges					30			30
Warrants								4,691
SHAREHOLDERS' EQUITY Sept 30, 2019	3,528	1,187	-98	110,388	862	-8,021	-9,750	98,095

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	7-9/ 2020	7-9/ 2019	1-9/ 2020	1-9/ 2019	2019
Cash flows from operating activities					
Profit/loss for the period	-824	-1,839	-5,508	-19,416	-23,440
Adjustments for profit:					
Depreciation and amortisation	3,867	3,973	11,708	12,030	15,941
Unrealised foreign exchange gains and losses	-31	-21	3	-63	-12
Financial income and expenses	2,805	2,863	8,262	6,337	9,088
Tax on income from operations	64	-169	711	28	-223
Other adjustments	-384	734	420	680	635
Total adjustments	6,321	7,381	21,104	19,013	25,428
Changes in working capital:					
Increase (-) / decrease (+) in trade and other receivables	3,048	485	756	-449	557
Increase (+) / decrease (-) in trade payables	-250	-2,602	5,242	2,507	4,794
Increase / decrease in provisions	-28	-1,080	-231	289	123
Total changes in working capital	2,770	-3,197	5,767	2,347	5,474
Financial items in operating activities	-428	-932	-1,058	-2,089	-2,472
Income taxes paid (-) / received (+)	-314	61	-687	-420	-832
Cash flows from operating activities	7,525	1,474	19,619	-564	4,159
Cash flows used in investing activities					
Purchase of tangible and intangible assets	-1,825	-2,169	-7,481	-8,125	-10,587
Net proceeds from sale of tangible and intangible assets	7	24	7	46	46
Cash flows from investing activities	-1,818	-2,146	-7,474	-8,080	-10,541
Cash flows from financing activities					
Proceeds from current borrowings	0	0	176	0	0
Repayment of current borrowings	-998	-10,998	-1,996	-22,296	-22,296
Proceeds from non-current borrowings	0	0	0	43,880	43,880
Repayment of non-current borrowings	0	-20,000	0	-20,000	-20,000
Payment of lease liabilities	-967	-1,093	-3,171	-3,126	-4,372
Cash flows from financing activities	-1,965	-32,091	-4,991	-1,542	-2,788
Net change in cash and cash equivalents	3,742	-32,763	7,154	-10,186	-9,170
Cash and cash equivalents at the beginning of period	34,850	63,373	31,672	40,747	40,747
Net foreign exchange difference	-164	30	-398	79	94
Cash and cash equivalents at the end of period	38,427	30,640	38,427	30,640	31,672

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, 2020.

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 judgement 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.

Free cash flow metric

EUR thousand	7-9/ 2020	4-6/ 2020	1-3/ 2020	10-12/ 2019	7-9/ 2019
EBITDA	5,936	5,156	4,070	2,395	4,913
Capitalizations	-2,010	-2,605	-3,111	-2,588	-2,072
Finance expenses	-2,974	-2,865	-3,021	-2,722	-2,933
Taxes, excl. deferred taxes	-188	-107	-628	-825	-152
Payment of lease liabilities	-967	-1,030	-1,174	-1,246	-1,093
Share based compensation, share part	-11	158	285	212	-108
Free cash flow metric	-214	-1,293	-3,579	-4,774	-1,445

Adjusted operating profit/loss and adjusted EBITDA

EUR thousand	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	2019
Operating profit/loss	2,069	940		3,454	-13,022		-14,537
Adjustments:							
Acquisition, disposal and restructuring income (-) and expenses (+)	-110	36		-140	1,040		1,009
Efficiency related expenses	137	-247		239	2,655	-91.0	2,772
Total adjustments	28	-211		99	3,696	-97.3	3,781
Adjusted operating profit/loss	2,096	729		3,553	-9,326		-10,756
Depreciation and amortization	3,867	3,973	-2.7	11,708	12,030	-2.7	15,941
Adjusted EBITDA	5,963	4,702	26.8	15,261	2,705		5,185
% of net sales	16.2	12.8		13.5	2.5		3.5

Information on products and services

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

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.

EUR thousand	7-9/ 2020	7-9/ 2019	Change, %	Change, % ¹	1-9/ 2020	1-9/ 2019	Change, %	Change, % ¹	2019
Cloud Revenue									
SaaS	14,447	12,139	19.0	21.3	43,172	35,364	22.1	22.8	49,133
Transaction services	11,654	11,825	-1.4	-0.5	35,146	35,319	-0.5	0.0	47,876
Other cloud revenue	935	1,053	-11.2	-10.8	3,335	3,369	-1.0	-0.8	4,434
Cloud Revenue total	27,037	25,018	8.1	9.7	81,652	74,052	10.3	10.8	101,442
Non-Cloud Revenue									
Maintenance	3,601	4,869	-26.1	-25.4	11,346	15,983	-29.0	-28.3	20,720
License sales	73	364	-79.9	-79.5	255	962	-73.5	-73.8	1,202
Consulting services	6,180	6,491	-4.8	-3.7	19,873	17,984	10.5	11.5	24,962
Other non-cloud revenue	-119	80			-340	58			-23
Non-Cloud Revenue total	9,735	11,805	-17.5	-16.6	31,134	34,986	-11.0	-10.2	46,861
Total	36,772	36,823	-0.1	1.2	112,787	109,038	3.4	4.1	148,302

¹ Organic at constant currencies.

Fair values of financial assets and liabilities

EUR thousand	Sep 30, 2020		Sep 30, 2019		Dec 31, 2019	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Financial assets						
Non-current:						
Non-current financial assets	13	13	38	38	38	38
Non-current trade and other receivables	886	886	853	853	857	857
Current:						
Current trade receivables	27,740	27,740	27,663	27,663	27,424	27,424
Current other receivables	233	233	239	239	305	305
Cash and cash equivalents	38,427	38,427	30,640	30,640	31,672	31,672
Financial liabilities						
Non-current:						
Financial liabilities valued at amortized acquisition cost:						
Loans from financial institutions, interest-bearing ¹	64,138	74,942	56,560	67,562	58,889	70,059
Leasing liabilities, interest-bearing	12,468	12,468	13,145	13,145	13,412	13,412
Current:						
Loans from financial institutions, interest-bearing	2,173	2,173	1,996	1,996	1,996	1,996
Leasing liabilities, interest-bearing	3,834	3,834	3,385	3,385	3,392	3,392
Trade payables and other liabilities	11,355	11,355	9,506	9,506	10,998	10,998

¹ Fair value of loan from Bregal Milestone LLP is measured to reflect the amount Basware would need to pay if it would repay the loan in full at the end of reporting period. The loan has an exit fee which accrues evenly over the loan period. The value of the exit fee at maturity equals 40 percent of the loan amount.

Financial liabilities arising from derivative financial instruments of EUR 171 thousand are classified as level 2 and unquoted equity shares of EUR 13 thousand as level 3 in the fair value measurement hierarchy.

In March 2019, Basware entered into a loan totalling EUR 50 million with Bregal Milestone LLP due September 2024. The loan is senior unsecured with a 5.5-year maturity that significantly extends Basware's average debt maturity. The facility was drawn on April 2, 2019 and the proceeds were EUR 45 million. The loan has an exit fee which accrues over the loan period. The value of the exit fee at maturity equals to 40 percent of the loan amount. The cash interest margin on the loan is 8.75 percent annually. The company has the option to utilise PIK interest as an alternative to cash pay interest at the rate of 11.25 percent annually.

In connection with the Loan, Bregal Milestone received without consideration 1,000 freely transferable warrants convertible into 1,001,000 shares in the Company (before the share issue adjustment, 1,000,000 shares), representing approximately 6.5 percent of the fully diluted shares of the Company. As a result of the share issue in June 2020 the warrants were adjusted to entitle their holder to subscribe for a total of 1,001,000 shares in the company (before the adjustment, 1,000,000 shares) at an adjusted subscription price of EUR 29.8764 per share (before the adjustment, the subscription price per share was EUR 29.9158). These adjustments to the terms and conditions of the warrants became effective upon registration with the Finnish Trade Register on June 17, 2020.

The warrants were issued to Bregal Milestone at the drawdown of the Loan, on April 2, 2019. The subscription period of the Warrant Shares commenced immediately upon the issue of the warrants and will expire on August 22, 2024. The cash subscription price will be subject to adjustments for any dividends as well as customary anti-dilution adjustments resulting from, among other things, any share issues, pursuant to the terms and conditions of the warrants.

On October 9, 2020, Basware received flagging notifications from Bregal Milestone and Briarwood Chase Management LLC according to which Briarwood Chase Management LLC had acquired all warrants from Bregal Milestone.

Commitments and contingent liabilities

EUR thousand	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
Own guarantees			
Guarantees	1,248	1,129	1,149
Commitments on behalf of subsidiaries			
Guarantees	222	181	298
Other commitments			
Maturing in less than 1 year	3,249	1,548	3,173
Maturing in 1-5 years	3,467	2,148	4,899
Total	6,716	3,696	8,072
Total commitments and contingent liabilities	8,186	5,005	9,518

Other commitments include leases and other rental not in scope of IFRS 16, as well as commitments arising from license agreements. Obligations from long term service agreements are not included.

Definitions of Alternative Performance Measures and Key Indicators

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.

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.

Operating profit (EBIT) is the net sum of operating income added to net sales, less cost of sales consisting of materials and services, less the costs resulting from employee benefits, depreciation and amortization as well as other operating expenses and any impairment. Exchange rate differences and gains or losses arising from changes in the fair value of derivatives are included in operating profit, provided that they result from items related to business operations; otherwise they are recognized under financing items. All other items of the consolidated statement of comprehensive income are presented after operating profit.

Adjusted operating result (Adjusted EBIT) is calculated from operating result excluding 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.

Cloud gross churn rate is defined as the total amount of cloud revenues lost during the period, divided by the total cloud revenues at the beginning of the period.

Cloud net churn rate is defined as the total amount of cloud revenues lost during the period minus the new cloud ARR won from add-on sales to existing customers during the period, divided by the total cloud revenues at the beginning of the period.

Cloud gross renewal rate is defined as 100 percent minus the cloud gross churn rate.

Cloud net renewal rate is defined as 100 percent minus the cloud net churn rate.

Customer lifetime is defined as 1 divided by the cloud gross churn rate.

Lifetime value of the order intake won during the period is calculated by multiplying Cloud ARR order intake during the period by the cloud gross margin and dividing by the cloud gross churn rate.

The customer acquisition cost is defined as the total expenditure on sales and marketing for the 12 months prior to the period (to account for the lead time between new sales and marketing expenditure converting to order intake).

Free cash flow metric is calculated as follows: EBITDA minus capitalizations, total debt service costs, tax and payment of lease liabilities, and excluding the share part of share-based compensation and any impact from acquisitions or disposals.

Return on equity (ROE), %

$$\frac{(\text{Profit or loss before taxes} - \text{taxes}) \times 100}{\text{Equity}}$$

Shareholders' equity (average)

Return on investment (ROI), %

$$\frac{(\text{Profit before taxes} + \text{interest and other financial expenses}) \times 100}{\text{Balance sheet total} - \text{non-interest-bearing liabilities (average)}}$$

Balance sheet total – non-interest-bearing liabilities (average)

Gearing, %

$$\frac{(\text{Interest-bearing liabilities} - \text{interest-bearing assets}) \times 100}{\text{Shareholders' equity}}$$

Shareholders' equity

Equity ratio, %

$$\frac{\text{Shareholders' equity} \times 100}{\text{Balance sheet total} - \text{advance payments received}}$$

Balance sheet total – advance payments received

Earnings per share (EPS)

$$\frac{\text{Profit for the period}}{\text{Adjusted average number of shares during the period}}$$

Adjusted average number of shares during the period

Adjusted earnings per share (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.

Equity per share

$$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares at the end of the financial period} - \text{own shares}}$$

Adjusted number of shares at the end of the financial period - own shares

Price-earnings ratio (P/E)

$$\frac{\text{Adjusted share price at the end of the financial period}}{\text{Earnings per share}}$$

Earnings per share

QUARTERLY INCOME STATEMENT

EUR thousand	7-9/2020	3-6/2020	1-3/2020	10-12/2019	7-9/2019
NET SALES	36,772	37,769	38,245	39,264	36,823
Cost of sales	-15,405	-16,589	-17,473	-18,294	-16,550
GROSS PROFIT/LOSS	21,368	21,180	20,772	20,970	20,273
Sales and Marketing	-8,885	-9,496	-10,767	-11,798	-9,809
Research and Development	-6,546	-6,516	-6,176	-6,597	-5,906
General and Administration	-3,702	-3,253	-3,575	-3,716	-3,576
Total operating expenses	-19,133	-19,265	-20,518	-22,111	-19,292
Other operating income and expenses	-165	-631	-153	-374	-42
OPERATING PROFIT/LOSS	2,069	1,285	100	-1,516	940
% of net sales	5.6	3.4	0.3		2.6
Finance income and expenses	-2,829	-2,656	-2,766	-2,759	-2,947
Profit/loss before tax	-760	-1,372	-2,665	-4,275	-2,008
Income taxes	-64	334	-981	251	169
PROFIT/LOSS FOR THE PERIOD	-824	-1,038	-3,647	-4,023	-1,839

KEY INDICATORS

EUR thousand	7-9/ 2020	7-9/ 2019	1-9/ 2020	1-9/ 2019	2019
Cloud ARR order intake	3,599	5,455	13,348	16,281	23,694
Net sales	36,772	36,823	112,787	109,038	148,302
Net sales growth, %	-0.1%	8.3%	3.4%	3.9%	4.9%
Organic net sales growth, %	1.2%	7.7%	4.1%	5.5%	5.9%
EBIT	2,069	940	3,454	-13,022	-14,537
% of net sales	5.6%	2.6%	3.1%		
EBITDA	5,936	4,913	15,162	-991	1,403
% of net sales	16.1%	13.3%	13.4%		0.9%
Adjusted EBITDA	5,963	4,702	15,261	2,705	5,185
Return on equity, %	-3.8%	-7.5%	-8.2%	-24.8%	-22.9%
Return on investment, %	5.3%	2.0%	3.2%	-10.2%	-8.6%
Interest-bearing liabilities excl. leasing liabilities	66,311	58,556	66,311	58,556	60,885
Cash and cash equivalents	38,427	30,640	38,427	30,640	31,672
Cash flows from operating activities	7,525	1,474	19,619	-564	4,159
Free cash flow metric	-214	-1,445	-5,087	-19,055	-23,829
Gearing, %	52.1%	45.4%	52.1%	45.4%	48.9%
Gross investments	2,010	2,072	7,727	8,029	10,617
% of net sales	5.5%	5.6%	6.9%	7.4%	7.2%
R&D expenses excluding amortizations	4,186	4,157	12,127	14,289	19,138
R&D costs, capitalised	1,738	1,964	6,497	6,659	8,829
R&D investments, total	5,924	6,121	18,623	20,948	27,967
% of net sales	16.1%	16.6%	16.5%	19.2%	18.9%
Depreciation and amortization	3,867	3,973	11,708	12,030	15,941
Other capitalised expenditure	272	108	1,230	1,370	1,788
Personnel at end of period	1,323	1,299	1,323	1,299	1,325