

Basware Q1 2008

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Basware in Brief

- Headquarters in Espoo, Finland and nine subsidiaries in Europe and in the US
- 650,000 users globally in 1200+ large organizations
- Net sales 18.2 million at the end of March 2008
- 665 employees at the end of March 2008



Breakthrough to Global Leader

Q1 2008 in Brief

| EUR Million | Q1/2008 | Q1/2007 |
|--|---------|---------|
| Net sales | 18.2 | 17.0 |
| Growth of net sales, % | 7.0% | 10.4% |
| Operating profit | -0.3 | 1.4 |
| Change of operating profit % | -118.1% | -44.3% |
| % of net sales | -1.4% | 8.3% |
| Net profit/loss | -0.6 | 0.9 |
| Earnings per share, euro | -0.05 | 0.08 |
| Fixed costs | 16.7 | 14.2 |
| International operations' share of net sales | 51.8% | 45.3% |
| Resellers' share of product sales | 22.9% | 16.6% |
| Personnel 31.3. | 665 | 533 |

- The first quarter success nearly according to plan.
- Consulting and maintenance operations grew especially well during the period.
- Steady geographical development
- Especially positive in Scandinavia, Europe and in the Finnish Enterprise Purchase to Pay unit.
- Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007.
- The value of these agreements amounts to over EUR 3 million.
- The growth without these components would have been 32.3% and growth of product sales 27.0 %.

Highlights of Q1 2008

Basware provided Data Conversion Service to portfolio management company James Hay

Enterprise Purchase to Pay roll-out globally to over 60 Novartis's offices

Strong growth of Consulting and Services revenue of 55,2%

Basware to deliver full Enterprise Purchase to Pay solution to PowerPacker Europe

Det Norske Veritas' global Invoice Automation and Electronic Archiving product roll-out

Growth of Product Sales of -38,8% => 27,0%

Deals signed in Asia-Pacific with Malaysian Airlines and ABB Japan

5 SaaS Purchase Management deals signed in Norway

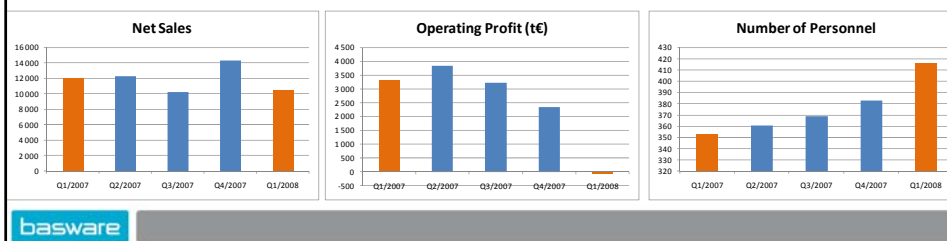
Basware opened a branch office in Moscow

Business Review of Q1 2008

Finland Segment

| EUR thousand | Q1/2007 | Q2/2007 | Q3/2007 | Q4/2007 | Q1/2008 |
|------------------------|---------|---------|---------|---------|---------|
| Net Sales | 12 057 | 12 276 | 10 238 | 14 278 | 10 493 |
| Growth of net sales, % | 9.6% | 26.1% | 9.2% | 30.8% | -13.0% |
| Operating profit | 3 315 | 3 837 | 3 219 | 2 335 | -93 |
| Number of Personnel | 353 | 361 | 369 | 383 | 416 |

Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007. The value of these agreements amounts to over EUR 2 million. Segment growth without these elements would have been 10.3 %



Finland Segment Q1/2008

Profile

Segment consists of Finnish, Russian, Asian, Australian, Financial Management's and invoicing's businesses.

Altogether 14 resellers in the segment

Number of personnel 416

Highlights

The growth of Finland segment without the impact of higher comparison figures would have been 10,3%.

Finnish EPP succeeded

Basware opened a branch office in Moscow.

New deals with Malaysian Airlines and ABB Japan.

New customers

Skanska Oy, Backman-Trummer Oy Ab, AS Paulig Baltic, Viking Line Abp, Sisu Diesel Oy, Oy HYY-Yhtiöt AB, Toyota Motor Finland Oy, Tampereen seurakuntayhtymä.

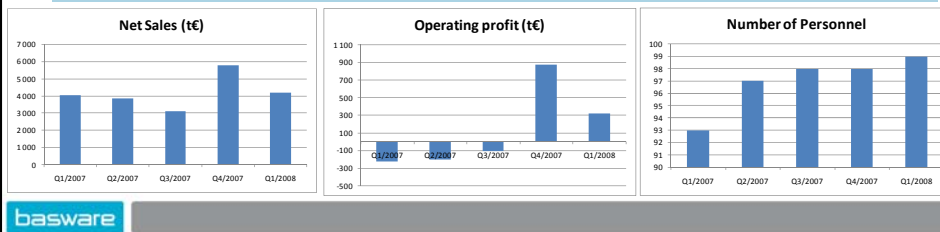
Malaysian Airlines, ABB Japan, Tschelkovskiy Vitami and Stockmann ZAO.

Scandinavia Segment

| EUR thousand | Q1/2007 | Q2/2007 | Q3/2007 | Q4/2007 | Q1/2008 |
|------------------------|---------|---------|---------|---------|---------|
| Net Sales | 4 030 | 3 859 | 3 126 | 5 782 | 4 198 |
| Growth of net sales, % | 22.9% | -12.2% | 17.0% | 32.8% | 4.2% |
| Operating profit | -229 | -207 | -107 | 873 | 321 |
| Number of Personnel | 93 | 97 | 98 | 98 | 99 |

Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007.

The value of these agreements amounts to over EUR 0,4 million. Segment growth without these elements would have been 16.7%



Scandinavia Segment Q1/2008

Profile

Centrally managed units in Sweden, Norway and Denmark.

The segment sells Enterprise Purchase to Pay and Financial Management solutions excluding payment management solutions.

Mainly direct sales
Number of personnel 99.

Highlights

The growth of Scandinavian segment without the impact of higher comparison figures would have been 16,7%.

Det Norske Veritas' global Invoice Automation and Electronic Archiving roll-out.

Strong improvement in profitability.

New customers

Ovako Steel, Rentokil Initial, Norsk Aller AS, Nor-Lines, Sector Alarm and AKVA Group.

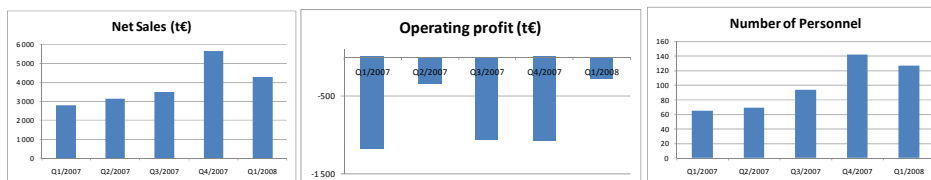
5 SaaS Purchase Management deals signed in Norway.

Europe Segment

| EUR thousand | Q1/2007 | Q2/2007 | Q3/2007 | Q4/2007 | Q1/2008 |
|------------------------|---------|---------|---------|---------|---------|
| Net Sales | 2 799 | 3 153 | 3 477 | 5 652 | 4 293 |
| Growth of net sales, % | 22.6% | 90.3% | 49.1% | 108.3% | 53.3% |
| Operating profit | -1 179 | -347 | -1 058 | -1 078 | -277 |
| Number of Personnel | 65 | 69 | 94 | 142 | 127 |

Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007.

The value of these agreements amounts to over EUR 0,7 million. Segment growth without these elements would have been 108.1%



European Segment Q1/2008

Profile

Segment consists of units in Germany, France, The Netherlands, UK and Southern Europe.

Segment sells Enterprise Purchase to Pay products excluding payment and travel management solutions.

Altogether 27 resellers in the segment.
Number of personnel 127.

Highlights

The growth of European segment without the impact of higher comparison figures would have been 108,1%.

Novartis's global Enterprise Purchase to Pay roll-out to over 60 countries.

Improvement in profitability.

New customers

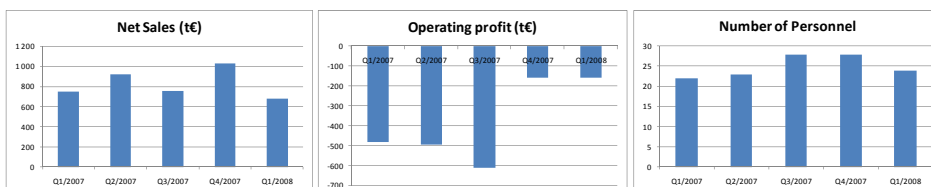
Nutrixo, Romande Enrgie, PowerPacker, Societé de Figaro, Pension Regulator and Signet.

Basware provided Data Conversion Service to portfolio management company James Hay.

North America Segment

| EUR thousand | Q1/2007 | Q2/2007 | Q3/2007 | Q4/2007 | Q1/2008 |
|------------------------|---------|---------|---------|---------|---------|
| Net Sales | 752 | 921 | 757 | 1 030 | 680 |
| Growth of net sales, % | 31.2% | 79.0% | -42.0% | -7.9% | -9.6% |
| Operating profit | -482 | -495 | -614 | -160 | -158 |
| Number of Personnel | 22 | 23 | 28 | 28 | 24 |

Due to the adjusted revenue recognition principles for product sales, some of the agreements signed at the end of 2006 were recognized in the first quarter of 2007. The value of these agreements amounts to over EUR 0,2 million. Segment growth without these elements would have been 39.3%



North America Segment Q1/2008

Profile

The North American unit sells Basware Enterprise Purchase to Pay solutions.

Altogether 10 resellers in the segment.

Number of personnel 24.

Highlights

The growth of North American segment without higher comparison figures would have been 39.3%.

General Growth Properties will implement Basware Invoice Automation solution throughout USA.

Improvement in profitability.

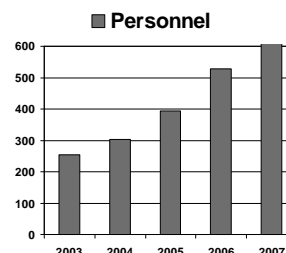
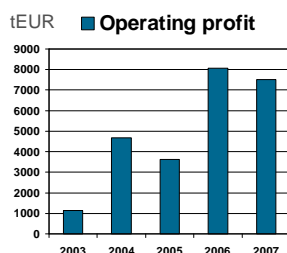
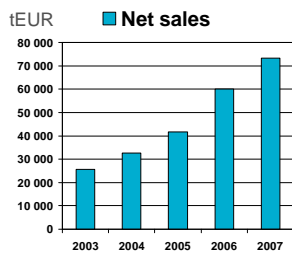
New customers

ING Direct, Natixis and General Growth Properties.

Financial Review of Q1 2008

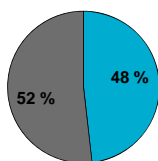
Key Financials 2004–2007

| <i>EUR thousand</i> | FAS | | IFRS | | |
|------------------------|--------|--------|-----------------|--------|--------|
| | 2003 | 2004 | 2005 | 2006 | 2007 |
| | | | Restated | | |
| Net sales | 25 597 | 32 640 | 41 666 | 59 954 | 73 270 |
| Growth of net sales, % | 26.3% | 27.5% | | 43.9% | 22.2% |
| Operating profit | 1 133 | 4 663 | 3 611 | 8 078 | 7 512 |
| % of net sales | 4.4% | 14.3% | 8.7% | 13.5% | 10.5% |
| Personnel, 31.12. | 254 | 302 | 395 | 528 | 658 |

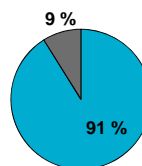


Development of Net Sales in Q1 2008

- Net sales EUR 18 233 thousand (EUR 17 038 thousand)
 - Growth by 7.0%
- Share of international operations 51.8% (45.3%)
 - Growth by 22.6%
- Resellers' share 22.9 percent (16.6%) of total product sales
 - EUR 941 thousand



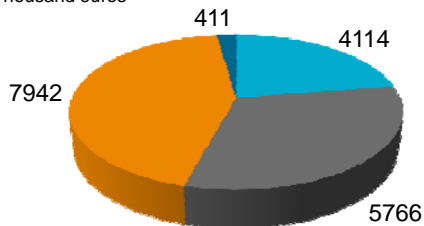
■ Finland ■ International



■ Enterprise Purchase to Pay ■ Financial Management

Net Sales by Operation Q1 2008

Thousand euros



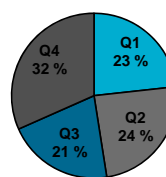
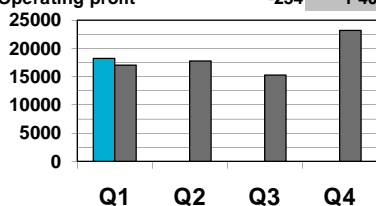
■ Products
 ■ Maintenance and support
 ■ Consulting and Services
 ■ SaaS

- ▶ Change of Product sales -38,8%, the growth of product sales without higher comparison figures would have been 27,0%.
- ▶ Growth of Maintenance 16,5%
- ▶ Growth of Consulting and Services revenue 55,2%
- ▶ SaaS represented 2,3 % of net sales
- ▶ Backlog of SaaS orders 11 076 thousand euros

Products = License sales of own software products
Consulting and Services = Installation and other consulting services related to products; also Business Transaction service fees
Maintenance and Support = Continuous, annually charged fees (18-20% of license sales)
SaaS = Software as a Service, monthly charged fees
Other

Development of Quarterly Net Sales

| EUR thousand | Q1/08 | Q1/07 | Q2/08 | Q2/07 | Q3/08 | Q3/07 | Q4/08 | Q4/07 |
|-----------------------------|---------------|---------------|-------|---------------|-------|---------------|-------|---------------|
| Net sales | 18 233 | 17 038 | | 17 776 | | 15 268 | | 23 187 |
| Growth % | 7.0% | 10.4% | | 21.3% | | 14.3% | | 40.5% |
| Other operating income | 69 | 15 | | 752 | | 23 | | 44 |
| Materials and services | 1 211 | 819 | | 662 | | 981 | | 1 996 |
| Personnel expenses | 11 765 | 9 243 | | 9 961 | | 7 827 | | 13 569 |
| Depreciation and write-offs | 671 | 571 | | 597 | | 657 | | 765 |
| Other operating expenses | 4 910 | 5 010 | | 4 536 | | 4 419 | | 4 977 |
| Operating profit | -254 | 1 409 | | 2 773 | | 1 406 | | 1 924 |

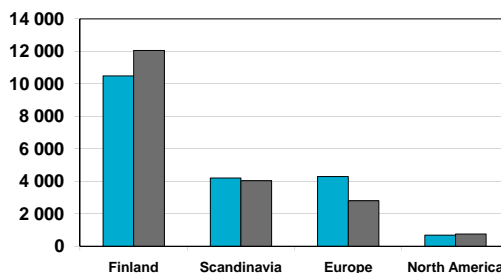
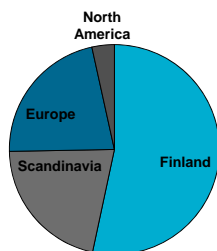


■ 2008 ■ 2007

2007

Net Sales by Primary Segment 1-3 2008

| Net sales | 1-3/2008 | 1-3/2007 | Change, % |
|----------------------------|---------------|---------------|------------|
| Finland | 10 493 | 12 057 | -13.0 |
| Scandinavia | 4 198 | 4 030 | 4.2 |
| Europe | 4 293 | 2 799 | 53.3 |
| North America | 680 | 752 | -9.6 |
| Net sales between segments | -1 430 | -2 600 | 45.0 |
| Group total (IFRS) | 18 233 | 17 038 | 7.0 |



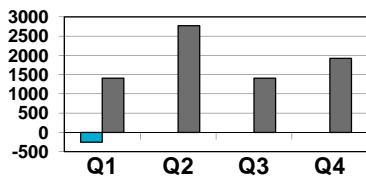
■ 1-3/2008 ■ 1-3/2007

Development of Profit

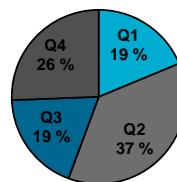
- Operating profit EUR -254 thousand (EUR 1 409 thousand)
 - -1.4 percent (8.3 %) of net sales
 - Decrease 118.1 percent
 - Q1 profit 2007 without elements from 2006 restatement would have been -1.8 million
- Fixed costs EUR 16 674 thousand (EUR 14 253 thousand)
 - Personnel costs EUR 11 765 (EUR 9 243 thousand)
 - R&D costs total EUR 3 793 thousand (EUR 3 091 thousand), of which EUR 627 thousand capitalized
- Profit before tax EUR -250 thousand (EUR 1 459 thousand)
- Profit for the period EUR -550 thousand (EUR 884 thousand)
- EPS EUR -0.05 (EUR 0.08)

Development of Quarterly Profit

| <i>EUR thousand</i> | Q1/08 | Q1/07 | Q2/08 | Q2/07 | Q3/08 | Q3/07 | Q4/08 | Q4/07 |
|-----------------------------|-------------|--------------|-------|--------------|-------|--------------|-------|--------------|
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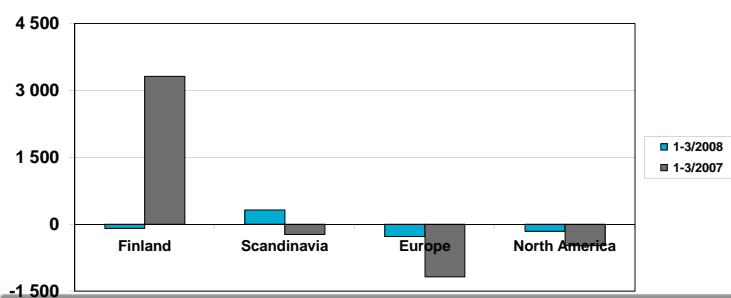
■ 2008 ■ 2007



2007

Operating Profit by Primary Segment

| Operating profit | 1-3/2008 | 1-3/2007 | Change, % |
|-----------------------------------|-------------|--------------|---------------|
| Finland | -93 | 3 315 | -102.8 |
| Scandinavia | 321 | -229 | 239.9 |
| Europe | -277 | -1 179 | 76.5 |
| North America | -158 | -482 | 67.2 |
| Operating profit between segments | -47 | -15 | -204.9 |
| Group total (IFRS) | -254 | 1 409 | -118.1 |



Finance and Investments

- Total assets on the balance sheet EUR 67 496 thousand (EUR 63 679 thousand)
- Cash and cash equivalents EUR 7 254 thousand (EUR 12 713 thousand)
- Cash flow from operations EUR 6 885 thousand (EUR 6 054 thousand)
- Basware Group acquired Digital Vision Technologies Ltd. in September 2007. The short-term loan of EUR 4 million that was withdrawn to in part fund the acquisition was paid off on February 11, 2008.
- Equity ratio 66.4% (68.8 %)
- Gearing -15.7 % (-27.5 %)
- Total gross investments EUR 822 thousand (EUR 767 thousand)
 - Includes capitalized R&D costs

Research and Development



20.8% of net sales

- Product development costs EUR 3 793 thousand (EUR 3 091 thousand)
 - Growth 22.7 percent (17.1 %)
 - 20.8 % of net sales (18.1 %)
 - EUR 627 thousand i.e.16.5% of costs capitalized

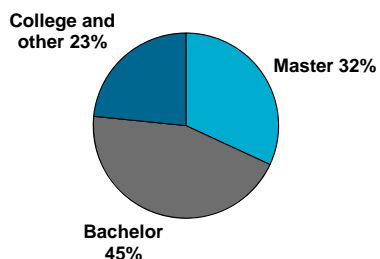


24.1% of personnel

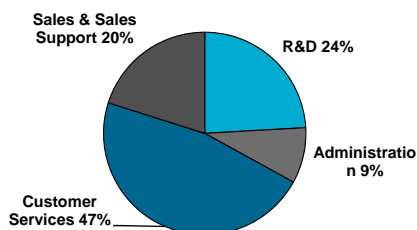
- Software production personnel 160 (136)
 - Units in Finland, India and Norway

Personnel

- In total 665 (533) employees at the end of March 2008
- Growth 24.8 percent
- 58.9 percent in Finland; 41.1 percent abroad
- Average age 35.8 years



Education



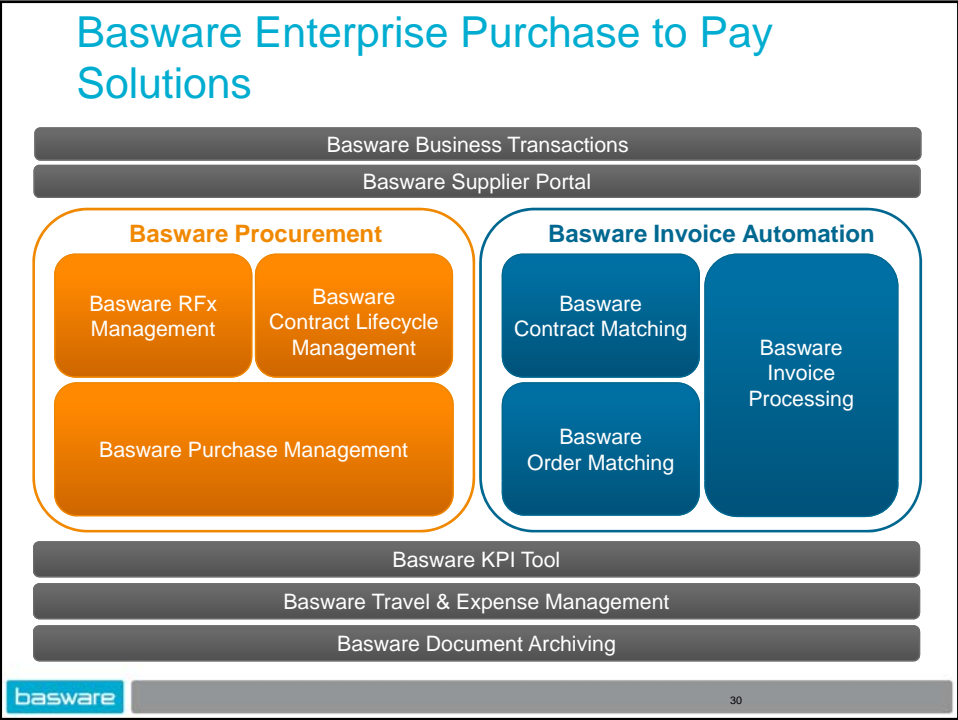
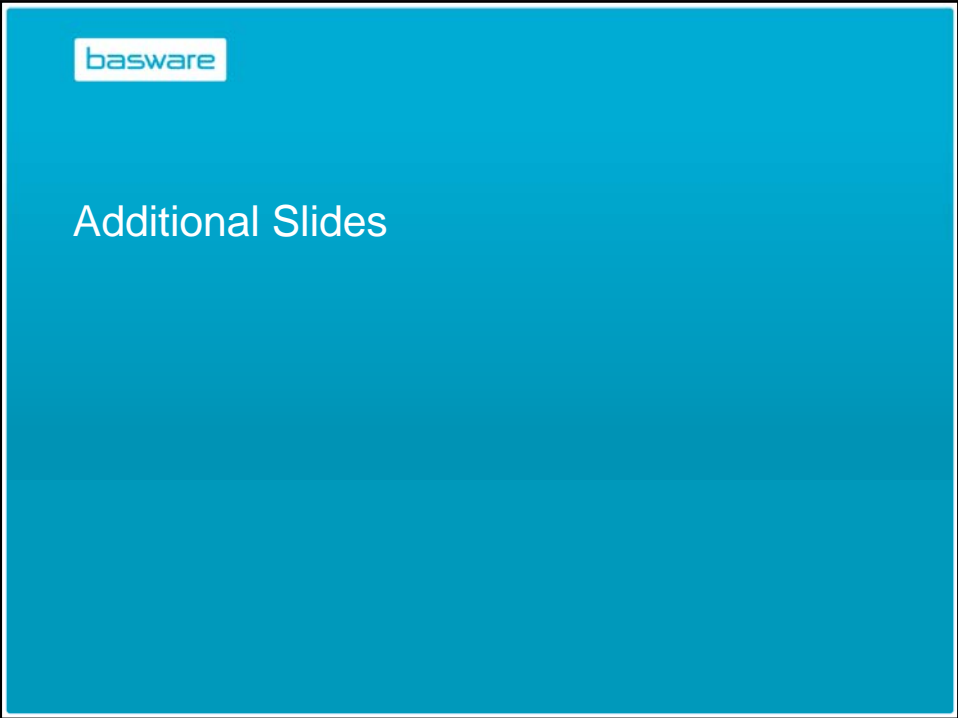
Personnel Groups

Share and Shareholders

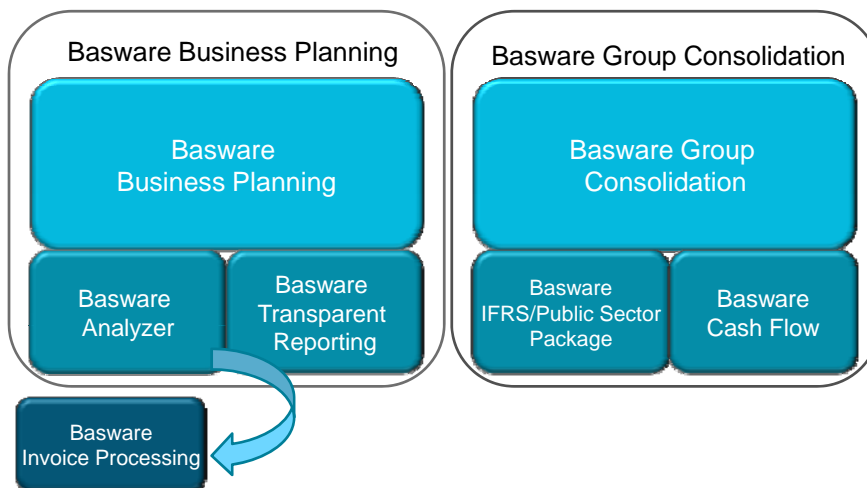
- Number of shareholders 17 923 (18 951) at the end of March 2008
- Share price development during January–March 2008:
 - Average price of the share EUR 8.27 (EUR 12.19)
 - Highest EUR 10.45 lowest EUR 7.50
 - Closing price EUR 7.90 (EUR 11.30)
- Traded shares 482 102 (1 114 729)
 - 4.2 % (9.7 %) of all shares
- Market capitalization EUR 90.6 million (EUR 129.6 million)

Industry and Basware Outlook

- **Growth of net sales 15–25 percent**
- **Operating profit 10–15 percent of net sales**
- Uncertainty in world economy
- Business software area expected to grow
- Europe, US, Russia, Asia, Southern Europe, growth areas, profitability increasing influencing also tax rate in the long run
- Scandinavia & Finland focus on profitability, mild growth
- Software production expanding to India, relative cost of R&D decreases
- Fixed costs will grow moderately during the rest of the year.
- SaaS order back log: Approximately EUR 0,5 M in revenue in Q2-Q4 2008
- New products: Basware Mobile Client, Basware RFX Management, Basware Contract Lifecycle Management
- Review of acquisition possibilities continues: Europe, US distribution channel



Basware Financial Management Solutions



Basware Einvoices offering

- Business Transactions Service**
 - Communicate with any organization on the network, including those connected to Basware BT and those on the global interoperability network
- Sending customer**
 - Basware Business Transactions Connector with value added services and customization
 - Partner operator offering for small size companies
- Receiving customer**
 - Receiving customers use tailored interface if they are Basware Invoice Processing users or
 - FTP to fetch invoices if they use some other invoice workflow software
- Supplier activation**
 - A service to maximize the cost saving opportunity for e-invoice receivers

Forrester Market Overview, February 2007

- ePurchasing software market

Eleven largest vendors by category (in descending order based on revenues and clients)

| Overall ePurchasing | eProcurement | Accounts payable - EIPP |
|---------------------|---------------------|-------------------------|
| SAP | SAP | BasWare |
| Oracle | Oracle | US Bank (PowerTrack) |
| Ariba | Ariba | Harbor Payments |
| Emptoris | ePlus | TradeCard |
| BasWare | Quadrem | Ariba |
| Procuri | cc-hubwoo | OB10 |
| IQNavigator | BasWare | Xign |
| cc-hubwoo | IBX | Bottomline |
| ePlus | SciQuest | b-process |
| Quadrem | Ketera Technologies | Deskom |
| Accruent* | Perfect | 170 Systems |

Source: Forrester Research, based on interviews with and data from more than 80 vendors

Forrester Wave™: eProcurement Solutions, Q2 '07

“Basware stakes out a strong position as a new player in eProcurement.”



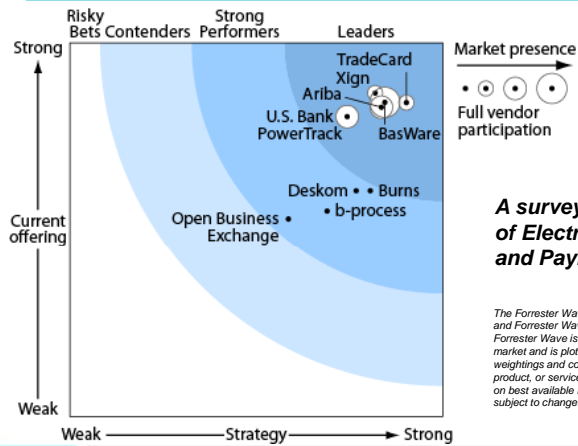
A survey made in the US in Q2 2007 of eProcurement Solution vendors

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*SciQuest is a vendor focused on universities and research companies, and its position on this graphic of the overall market does not reflect the strength of its offering for that specific segment.

Forrester Wave™: Accounts Payable EIPP, Q3 2005

“Basware stands out among the European vendors with current offering scores that were equal or close to those of the American vendors. Basware also had the largest market presence of all vendors.”



**A survey made in the US in Q3 2005
of Electronic Invoice Presentation
and Payment vendors**

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Thank you!