

Basware Strategy Update

External presentation, November 2009

Contents

- Basware mission, vision, strategy
- Business environment trends and external rankings
- Basware product and service offering
- Business overview
- Future outlook



What's new?

- Automation Services offering enhancements
 - (eInvoicing, Connectivity Services, SaaS)
- Market area and distribution channel adjustments
- Product strategy clarification
- India operations reinforcement

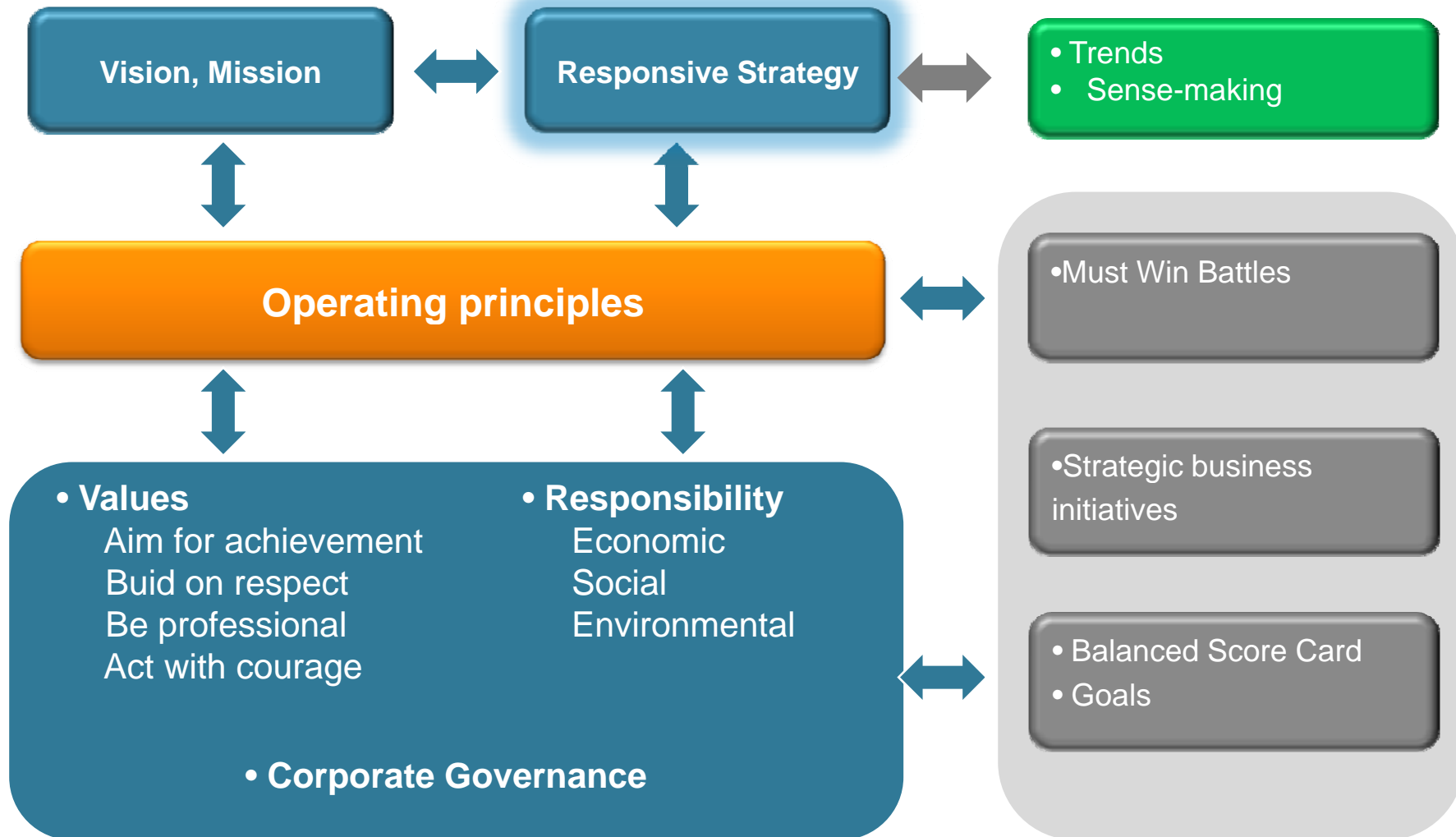
Basware in Brief

- The global leader in purchase-to-pay automation
- Develops software for procurement and financial process automation
- More than 850,000 software users in over 1,500 large organizations
- Services through a network of more than ten own offices in Europe, Asia and the US
- Business partners in over 30 countries

- Founded in 1985, publicly listed
- Net sales EUR 86 million in 2008
- 755 employees at end of Q3 2009



Basware is built upon



Mission, Vision

- **Mission:** Basware provides value for financial processes with leading-edge process automation solutions and services. We are a forerunner constantly meeting the needs of our customers.
- **Vision 2010:** Breakthrough to Global Leader
- **Vision 2012:** *Globally Established Provider*

Vision 2012: Globally Established Provider

Basware is the leading company providing Enterprise Purchase to Pay solution suite in all of its key markets. Basware is one of the leading global e-invoicing network providers. Basware is recognized as a professional and reliable business partner by its customers and consistently achieve high levels of customer satisfaction.

Basware offers packaged, fully integrated Enterprise Purchase to Pay software which is easy to use, fast to implement and rich in functionality. Our services cover implementation consulting, business consulting and cloud computing enabled software, process and e-invoicing network services. Basware solutions enable green management customer operations with high user experience standards

Baswares presence and operations are global and support all time-zones. Product development operations are scalable, distributed and cost efficient.

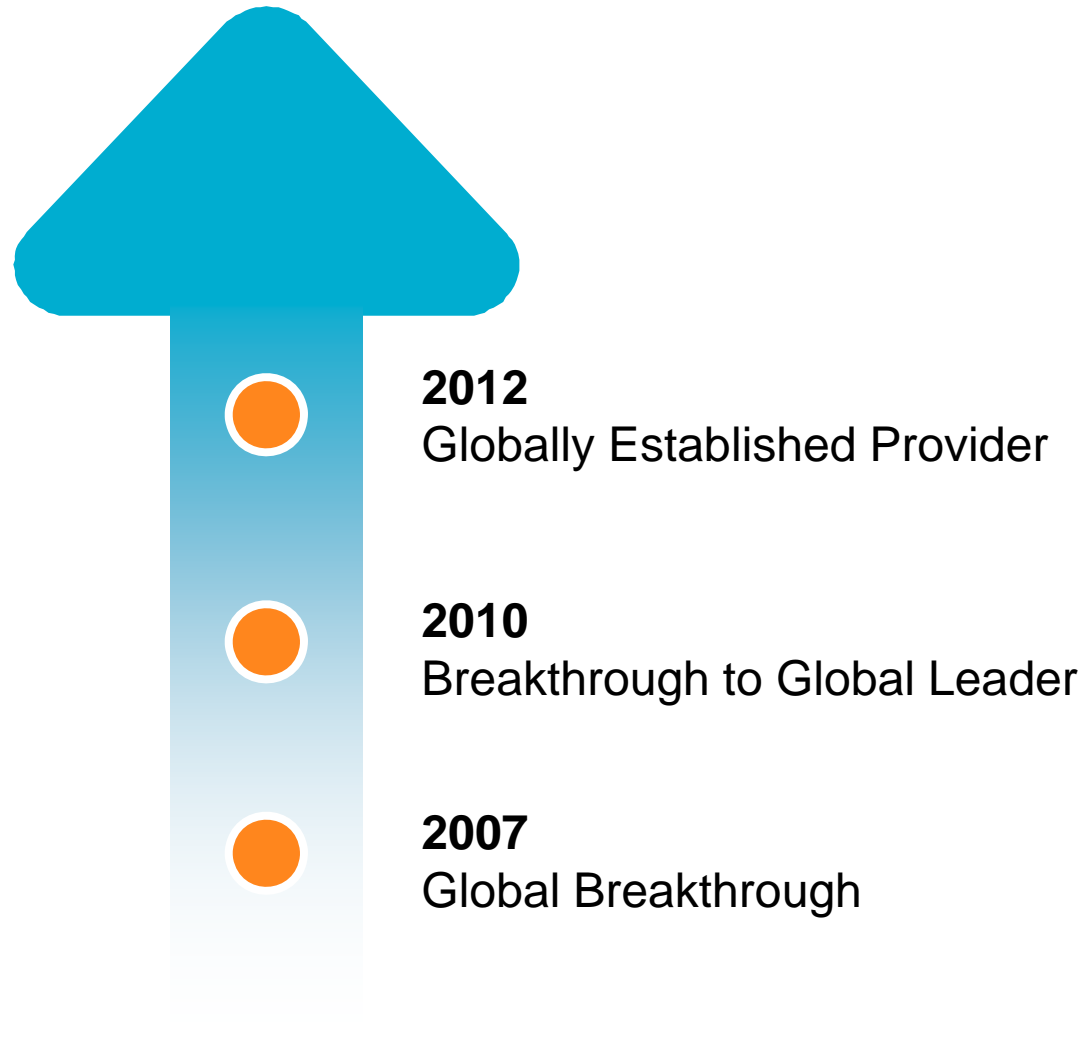
Basware is an attractive global employer for committed, result-driven professionals with competence in international business.

Basware is growing above market growth speed with two digit profit and growth performance.

Long term objectives

- Automation Services
 - Includes: eInvoicing, Connectivity Services, SaaS
 - Revenue growth >50%
- Software business
 - Includes: License, Maintenance, Professional Services
 - Revenue growth >10%
- Profitability
 - EBIT 10-20%

Strategic path forward



A close-up photograph of a person's torso and hands. The person is wearing a dark, textured suit jacket over a plaid shirt. They are holding a black leather briefcase with a gold zipper. Inside the briefcase, a rolled-up newspaper is visible, with the word "FINANCIAL" partially legible. The background is blurred, suggesting an office or business setting.

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Business environment

Business environment trends

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Customers

- CIO role changing from IT to business support
- Purchase-to-pay and savings driving the RFP's
- Changing software deployment models
- Supplier-buyer networks high in "hype"
- From in-house scanning to outsourced

Competitors & market

- Mix of market maturity
- Growing market driven by specialists. Replacement investments in procurement starting (10 years life cycle)
- Consolidation of vendors, large ERP players entering the market, acquisitions

Technology

- Next generation web applications
- From fixed processes to business rules driven automation
- Cloud computing

Legislation

- Strengthening of corporate governance requirements
- EU level e-business acceleration

Economy

- Market turn is around the corner
- Savings on the agenda of enterprises

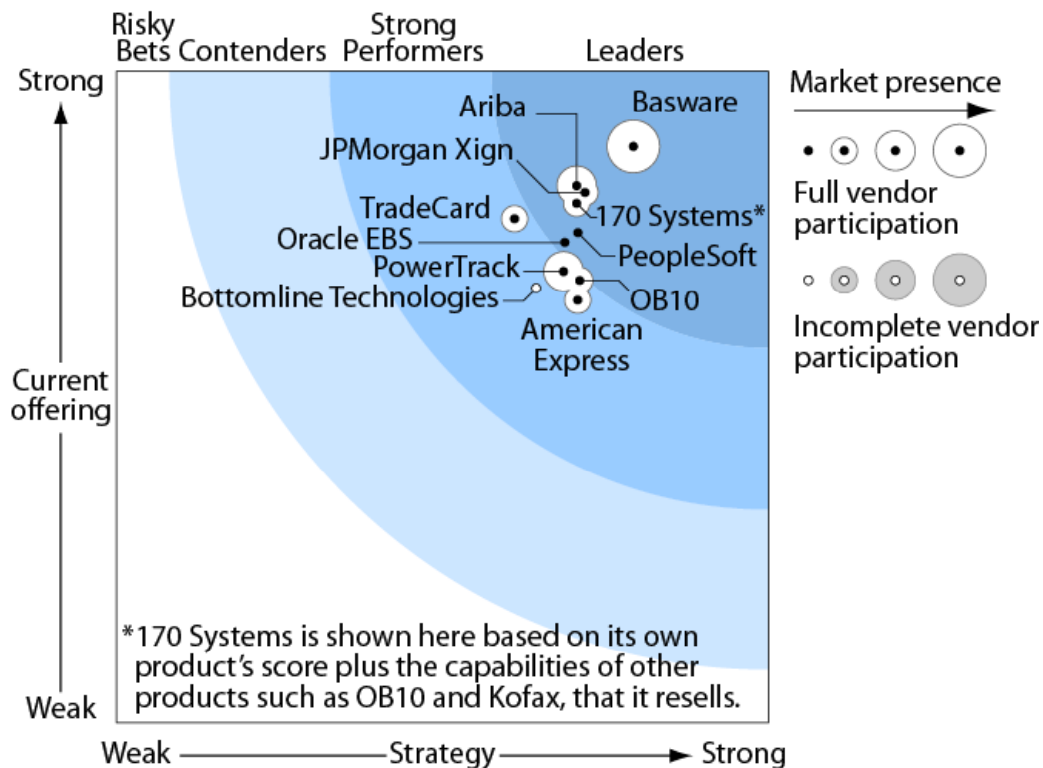
Market estimates

- Downturn is about to end during 2010
 - Positive market growth figures for Y2010 from all analyst houses
- Enterprise Purchase to Pay (EPP) software area
 - Biggest market is in eProcurement - eSourcing and Invoice Automation following
 - EPP software market growth likely to exceed global software market growth
 - Highest application area growth rates in services procurement, supplier performance management and invoice automation
 - Biggest EPP market still clearly North America. In Europe Germany, UK and France dominating
 - Highest geographical market growth rates in APAC and EMEA

Basware external ranking

The Forrester Wave™: AP-EIPP, Q2 2008

Basware is number 1 in all report dimensions:
Strategy, Current Offering and Market Presence



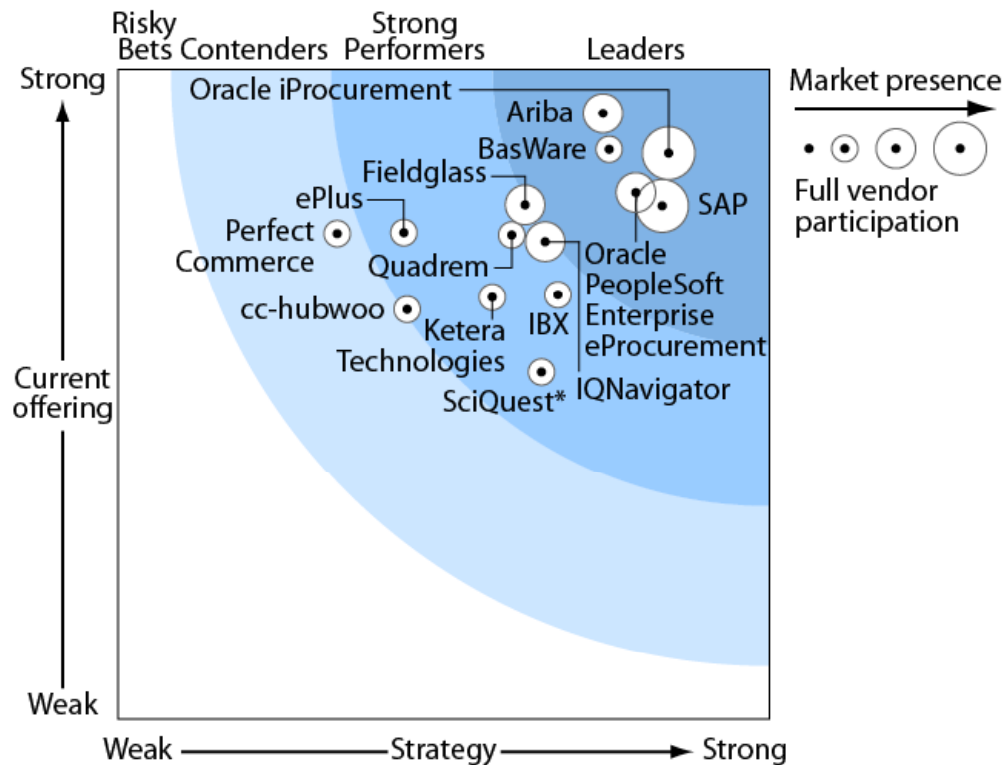
The Forrester Wave™:
AP-EIPP, Q2 2008
A survey made in the US of
Electronic Invoice Presentment
and Payment vendors

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Analyst Review

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



The Forrester Wave™:
eProcurement Solutions,
Q2 2007
A survey made in the US 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.



Analyst coverage - sample

- Forrester Research

- Andrew Bartels Vice President, Duncan Jones Senior Analyst, Craig le Clair Senior Analyst, Patrick Connaughton

- Gartner Group

- Ben Pring Research Vice President, Chris Pang Senior Research Analyst, Charles (Chad) Eschinger Principal Research Analyst, (Deborah) Debbie Wilson Research Director, John E. Van Decker Research VP, Paolo Malinverno Research VP

- AMR Research

- Mickey North Rizza Research Director
- Nigel Montgomery Research Director

- Other analyst houses

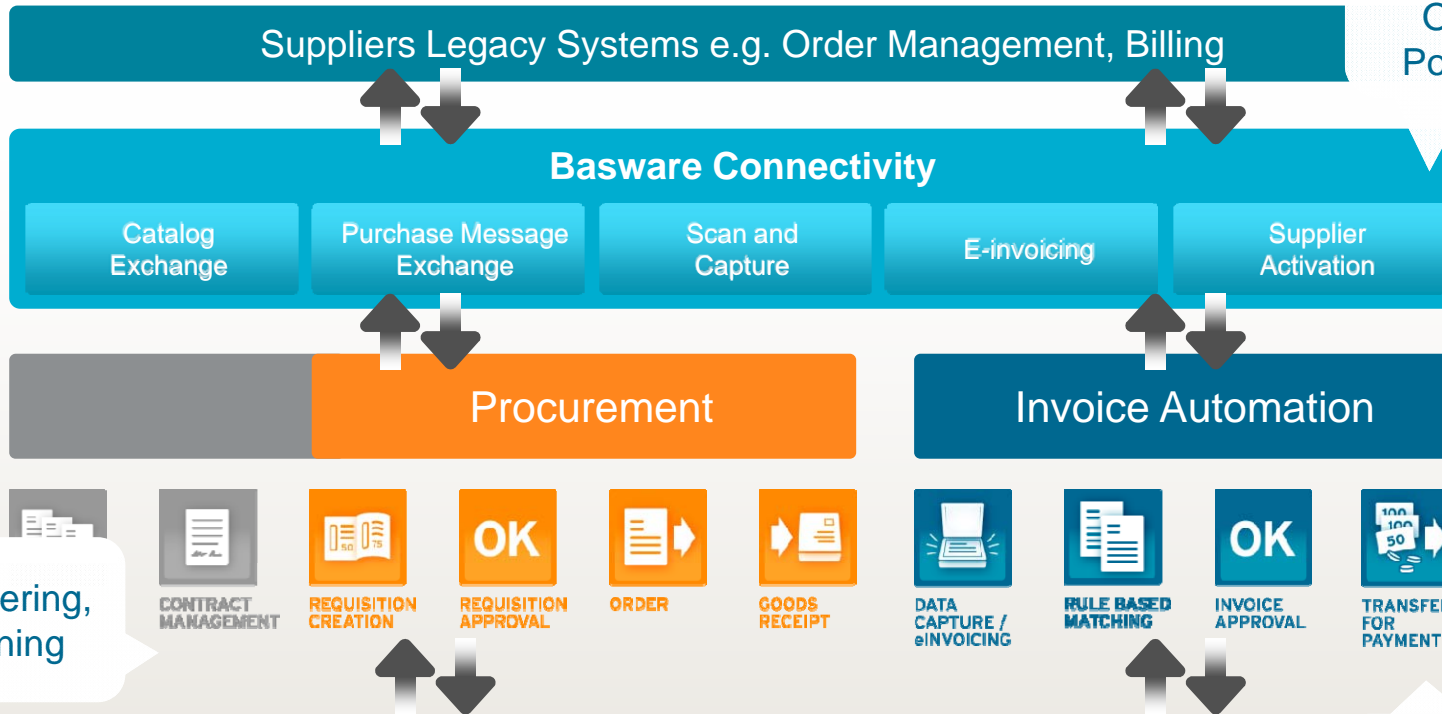
The Basware logo, consisting of the word "basware" in a lowercase, blue, sans-serif font, is positioned in the upper left corner of the slide. The background of the slide is a photograph of two women in an office setting. One woman, with long dark hair, is smiling and looking towards the other woman, who has short brown hair and is seen from the back. They are standing near a desk with a computer monitor and a potted plant. The office has large windows in the background.

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Basware offering

Basware EPP Product offerings

New:
Strategy,
Offering,
Positioning



New: Offering,
Positioning

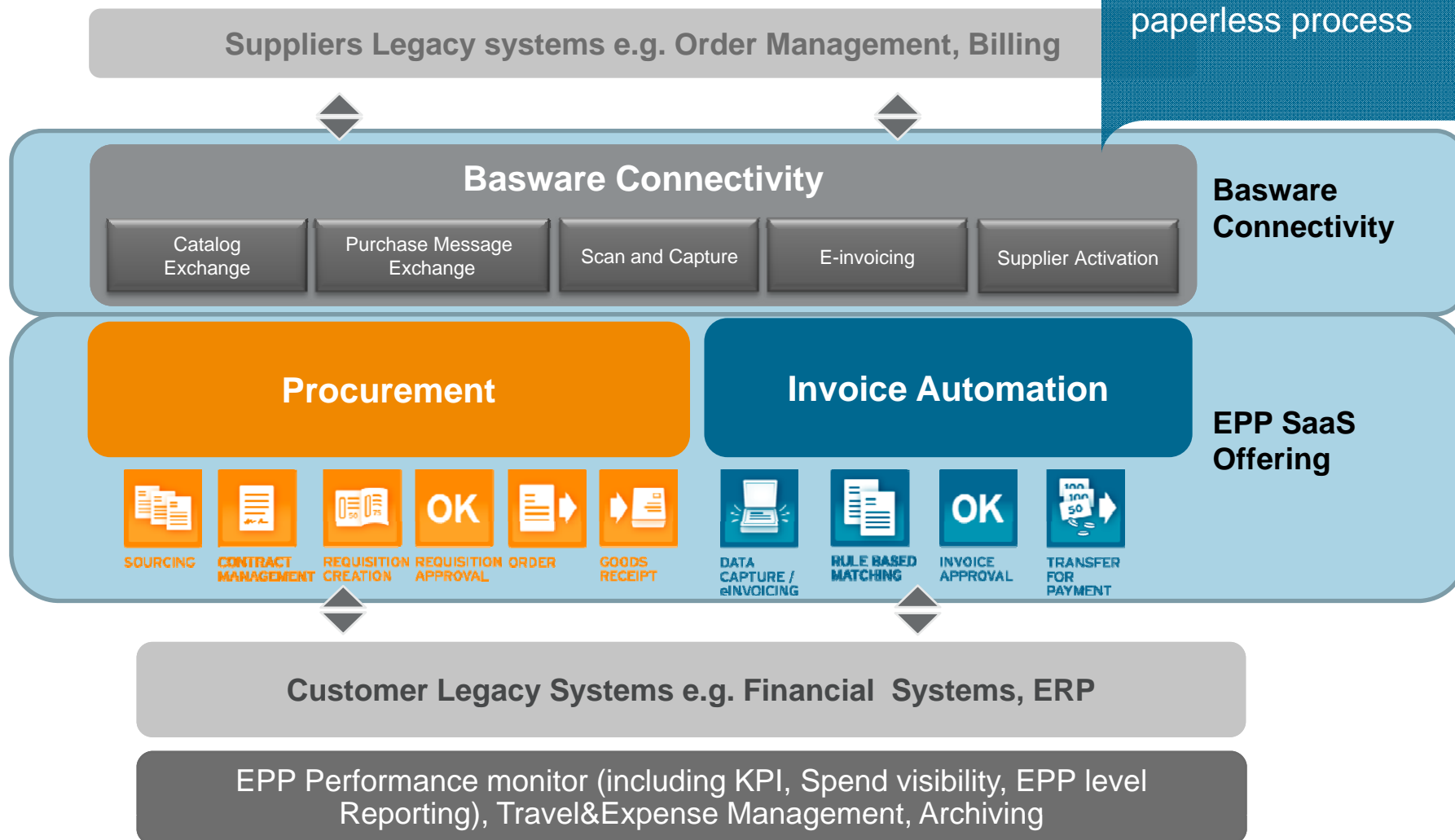
New: Mid-market
international
offering

New: Next
generation
technology

Customer Legacy Systems e.g. Financial Systems, ERP
 performance monitor (including KPI, Spend visibility, EPP level Reporting)
 Travel&Expense Management, Archiving

EPP Automation Service offering

From in-house scanning to full paperless process



Basware Software as a Service

- Basware purchase-to-pay solutions delivered over the internet
- Hosted service delivered through secure data centers operated by industry-leading service providers
- Quick and easy implementation, integration, and deployment
- Global support services for both Basware customers and their suppliers

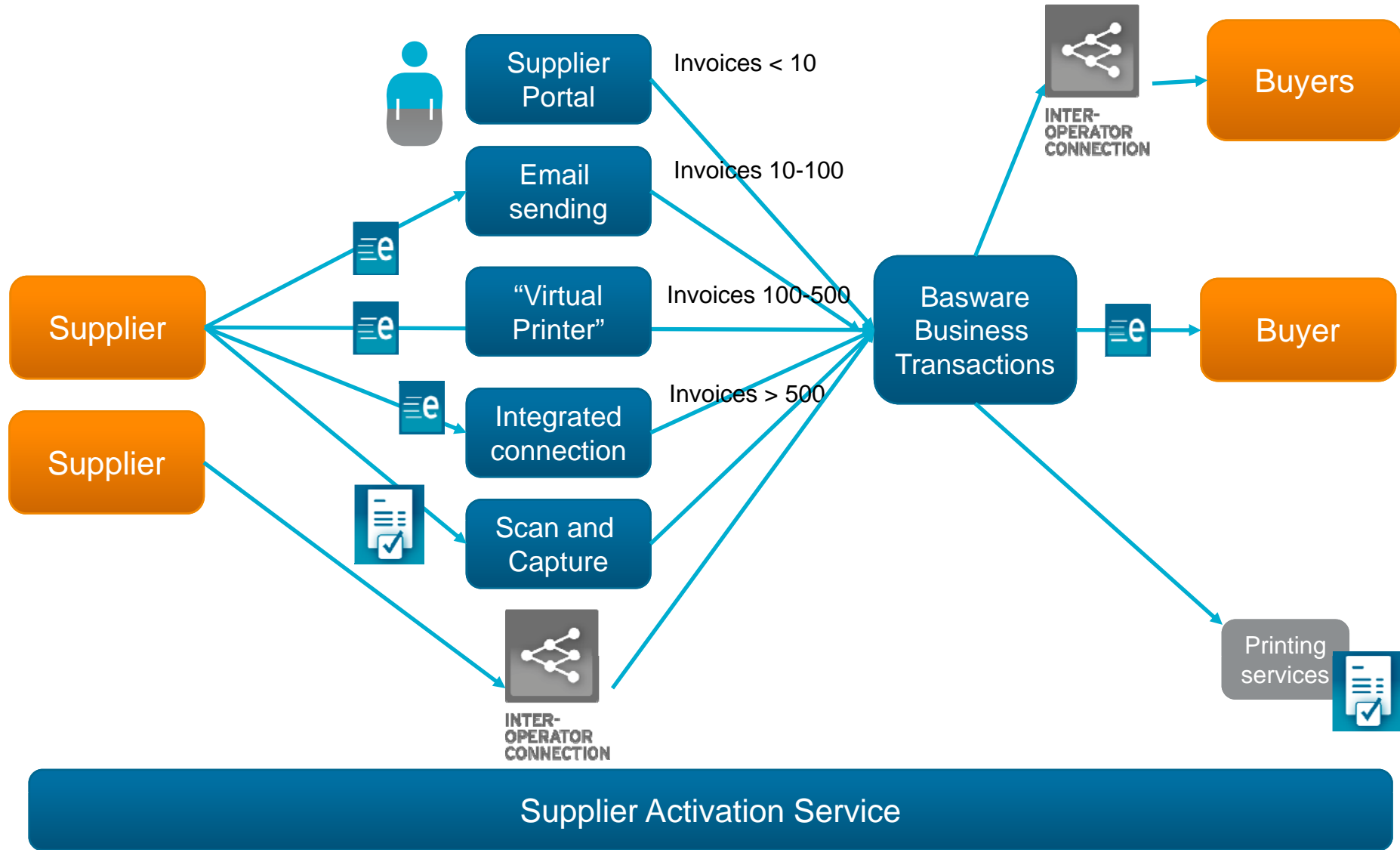


Basware Connectivity Services in a Nutshell

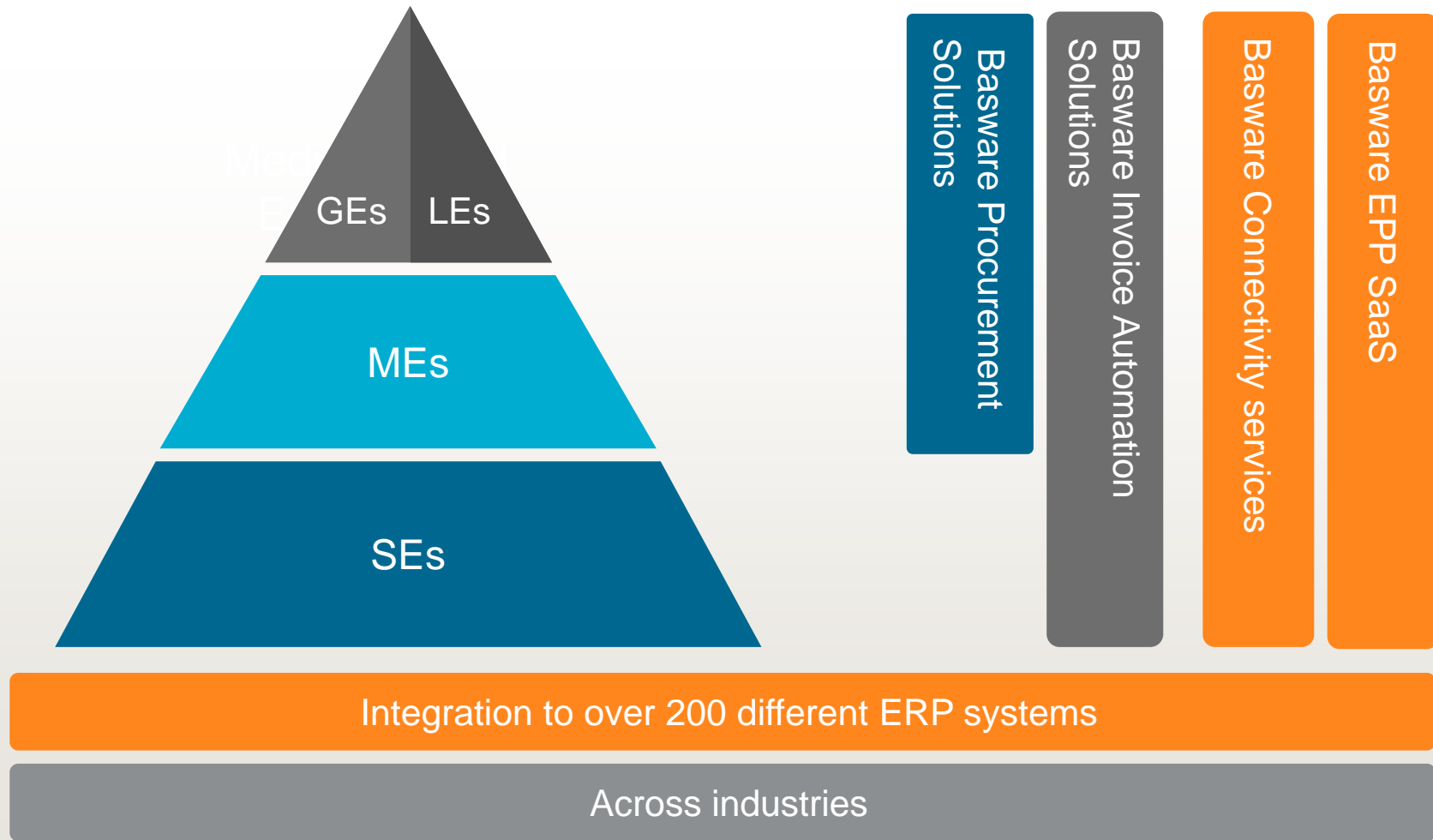
- **Basware Connectivity Services**
 - Basware's offering for automating & streamlining buyer/supplier communications in the Purchase to Pay process.
- **Features**
 - Electronic exchange of supplier catalogs.
 - Electronic exchange of order documents
 - Electronic exchange of e-invoices
 - Scan and capture services to receive all invoices electronic
- **Benefits**
 - Reduces times and costs related to paper based supplier-buyer communications
 - Increases the quality of the Purchase to Pay process



Basware Open Network for e-invoices



Extensive global portfolio for all industries



The Basware logo, consisting of the word "basware" in a lowercase, blue, sans-serif font, is positioned in the top left corner of the slide. The background of the slide is a photograph of three business professionals in a modern, industrial-looking setting with blue lighting and complex metal structures. A man in a dark suit is on the left, looking towards the right. A woman in a grey suit is in the center, looking towards the right. A man in a dark suit is on the right, gesturing with his right hand raised towards the ceiling.

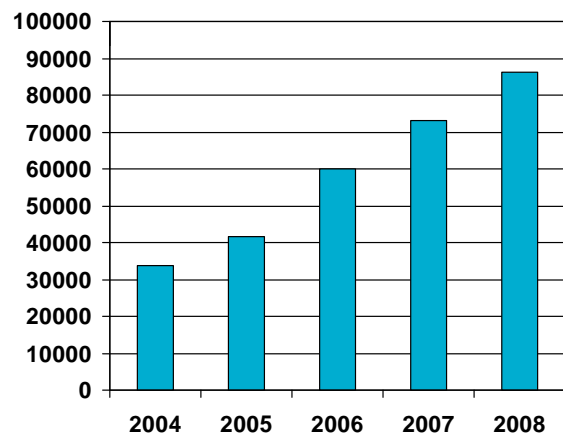
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Business overview

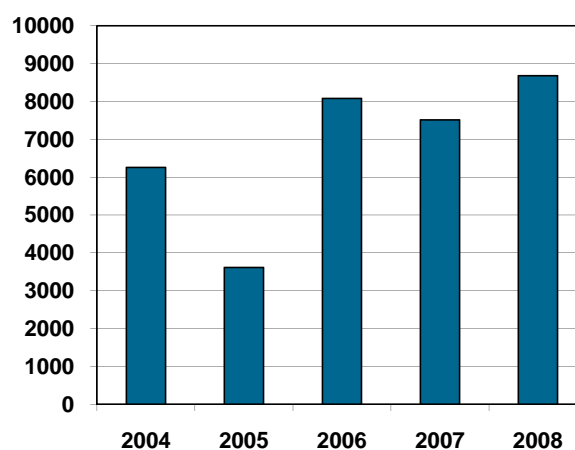
Key Financials 2004–2008

<i>EUR thousand</i>	2004	2005	2006	2007	2008
		Restated			
Net sales	33 891	41 666	59 954	73 270	86 098
Growth of net sales, %		29.4%	43.9%	22.2%	17.5%
Operating profit	6 256	3 611	8 078	7 512	8 679
% of net sales	18.5%	8.7%	13.5%	10.3%	10.1%
Personnel, 31.12.	302	395	528	658	731

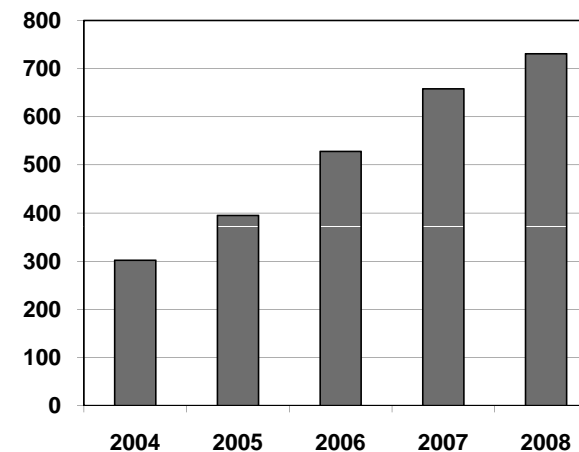
tEUR ■ Net sales



tEUR ■ Operating profit

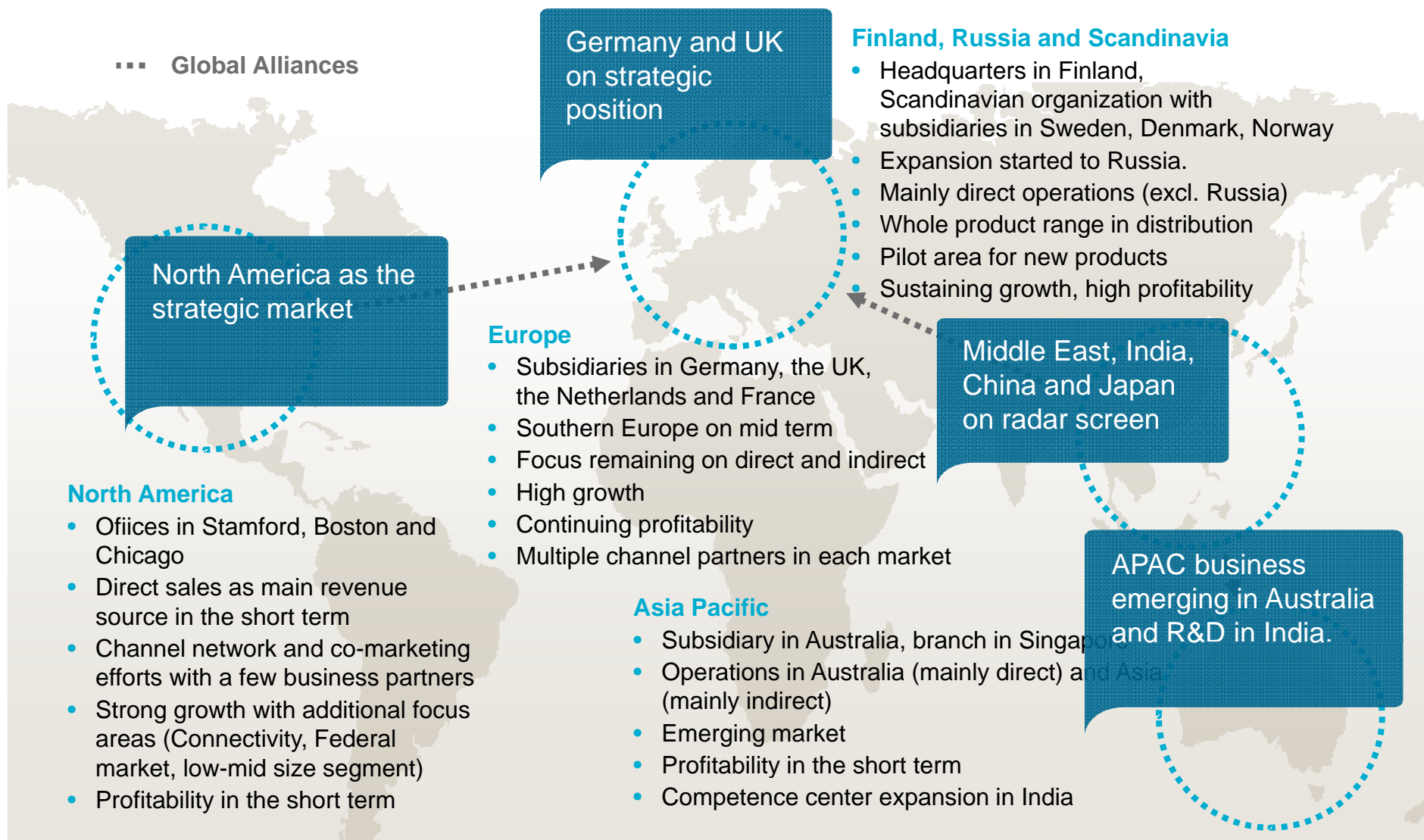


■ Personnel



Strong Global Presence

... Global Alliances



Future Outlook

Basware Outlook

- **Net Sales expected to develop positively**
- **Operating profit 10–15 percent of net sales**
- Uncertainty in the world economy
- Growth based on direct and indirect (Europe, Russia) sales efforts
- Europe, US (mainly direct sales), Russia, Asia: growth areas, profitability improving
- Scandinavia & Finland focus on profitability, mild growth
- Competitive status good and supported positively with the new EPP Automation services (eInvoicing, connectivity services and SaaS)
- Software production expanding to India, year 2009 R&D costs are expected not to substantially increase from the level of 2008
- Growth related investments in Q4/2009 if operating profit and net sales are at the expected level
- Automation Services order backlog: EUR 13.0 M
- Review of acquisition possibilities continues: distribution channel and product portfolio

Basware as an investment target

Solid financial
performance

Strong
internationalization

World-class
products

- Growth of sales on an average 28% in 2005-2008.
- Basware has been profitable since establishment.
- Basware grows faster than its peer group companies on an average.
- Basware's solutions provide savings with short payback time; recession resistance offering.
- Basware has controlled and responsive strategy execution.

Basware as an investment target

Solid financial performance

Strong internationalization

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- International share of net sales over 50%
- Extensive demanding global customer roll-outs in various countries
- Basware is the only solution provider on a global level whose solutions automatically intergrate in over 200 Enterprise Resource Planning (ERP) systems
- Strong global technology partners: Microsoft, SAP, Oracle, Blackberry, EMC, Citrix

Basware as an investment target

Solid financial
performance

Strong
internationalization

World-class
products

- Forrester Research 2008: Basware is a global market leader in accounts payable electronic invoice presentment and payment space
- Forrester Research 2008: Basware among the five largest software sellers of ePurchasing market
- Internationalization prize of President of Finland in 2004
- Basware chosen as an expert to Pan European Public Procurement On-line project (PEPPOL)