

# Interim report January – September 2021

## Cybersecurity generates increased revenues

### July – September 2021

- Net sales amounted to SEK 256.6 million (206.4), equivalent to a 24 percent increase. Net sales increased by 26 percent in fixed currency rates.
- Operating profit amounted to SEK 48.1 million (42.8), corresponding to an operating margin of 18.7 percent (20.7). Operating profit, excluding non-recurring items related to the acquisition of AdaptiveMobile Security, amounted to SEK 60.5 million (47.6), equivalent to an operating margin of 23.6 percent (23.0).
- Net profit after tax amounted to SEK 50.2 million (31.1).
- Earnings per share amounted to SEK 2.33 (1.44).
- On July 15<sup>th</sup> Enea announced the acquisition of AdaptiveMobile Security. The acquired company is market leading in technology for the protection of signaling and messaging in mobile networks. AdaptiveMobile Security is acquired at an enterprise value of EUR 45 million. Transaction costs of SEK 12.5 million are included in administrative non-recurring costs in the quarter.

### January – September 2021

- Net sales amounted to SEK 696.4 million (667.1), equivalent to a 4 percent increase. Net sales increased by 10 percent in fixed currency rates.
- Operating profit amounted to SEK 154.9 million (124.5), corresponding to an operating margin of 22.2 percent (18.7). Operating profit excluding non-recurring items amounted to SEK 167.3 million (148.4), equivalent to an operating margin of 24.0 percent (22.3).
- Net profit after tax amounted to SEK 145.7 million (94.9).
- Earnings per share amounted to SEK 6.76 (4.43).

Key figures	Jul-Sep		Jan-Sep		Full year
	2021	2020	2021	2020	2020
Total revenue, SEK m	259.0	208.8	706.9	676.8	929.1
Net sales, SEK m	256.6	206.4	696.4	667.1	915.1
Net sales growth, %	24	-16	4	-9	-8
Net sales growth currency adjusted, %	26	-13	10	-9	-7
Operating profit excluding non-recurring items, SEK m	60.5	47.6	167.3	148.4	221.5
Operating profit, SEK m	48.1	42.8	154.9	124.5	188.6
Operating margin excluding non-recurring items, %	23.6	23.0	24.0	22.3	24.2
Operating margin, %	18.7	20.7	22.2	18.7	20.6
Net profit after tax, SEK m	50.2	31.1	145.7	94.9	142.3
Earnings per share, SEK	2.33	1.44	6.76	4.43	6.63
Net debt/EBITDA (12 months)	1.76	0.43	1.76	0.43	0.81
Cash flow from operating activities, SEK m	28.3	82.8	191.3	212.7	274.2
Cash, cash equivalents and financial investments, SEK m	176.4	180.0	176.4	180.0	195.1

## A world leader in 5G and cybersecurity

*We're continuing to consolidate our positioning as a leading software company in 5G and cybersecurity. New telecom networks are being prepared to manage high data volumes securely and efficiently, and we are already deploying new, innovative solutions at some of the largest operators. We acquired AdaptiveMobile Security in the quarter, which expanded our customer base in cybersecurity—a key building-block of future telecom networks. This acquisition brings us a unique offering in Network Solutions, and creates opportunities for synergies in sales.*

### Continued growth for Network Solutions

Third-quarter sales were SEK 257 million, a 26 percent increase in fixed currency rates. The increased sales are backed by revenues from two acquisitions—Aptilo in October 2020 and AdaptiveMobile Security in July 2021. Operating profit excluding non-recurring items was SEK 61 million, corresponding to an operating margin of 24 percent. I'm pleased that once again, we succeeded in achieving our margin target, thanks to a high software sales share, combined with good cost control. Cash flow from operating activities was SEK 28 million, which is lower than last year due to a higher ratio of large projects with different payment flows. The acquisition of AdaptiveMobile Security, completed on 17 July 2021, enhances our customer base and offering in cybersecurity for telecom. This new business unit had sales of SEK 47 million in the quarter and was a contributor to our largest product group, Network Solutions, growing by 46 percent. This product group continues to grow in significance, now representing 77 percent of total sales. Our other two product groups, Operating Systems and Software Development Services, represented 12 and 11 percent of total sales, respectively. The decrease in revenue from Operating Systems is continuing as customers introduce open source software in new products. Sales of Software Development Services have been impacted by the pandemic, with a declining need in sectors including the aviation industry, which was partly offset by higher demand from customers that deliver sophisticated medical devices.

### Trailblazing 5G projects

We're continuing to develop products for data management in 5G systems, and to deliver to major customers across Europe and North America. These customer projects involve innovative ways to build core networks and products from multiple vendors that interwork based on the new 5G standard. We passed major milestones on these projects as our software has been trialed commercially with a large user base. Tests with major customers indicate that our systems for data management in telecom systems are significantly more resource efficient than competing offerings. These trials demonstrate how it's possible to reduce energy consumption by up to 50 percent, thanks to unique functionality to manage and store information. This presents us



with a competitive edge, and an opportunity to reduce the climate footprint of the world's telecom systems.

### Growing cyberthreats to telecom

In recent months there have been several examples of telecom networks being targeted in sophisticated cyberattacks. These include the Pegasus Project, which revealed how key individuals in many countries had their mobile phones hacked. AdaptiveMobile Security is a world-leading vendor of products and analysis services to improve security within and between the world's telecom systems. This acquisition is enabling us to play a key role in countering cyberthreats, and we'll be developing this business through customer contacts, technology and expertise from other parts of the company. This will give us an opportunity to address a market expected to grow as cyberthreats against individuals and national infrastructures increase.

### Outlook

The market for data management in 5G, virtualization, and advanced cybersecurity is entering an exciting phase, where we can challenge established competitors and win market shares with innovative products and new business models. Our ambition is to increase revenues robustly, while maintaining good profitability, through organic growth in Network Solutions plus complementary strategic acquisitions that advance our market positioning.

We're starting to witness the return to a more normal business situation, even if restrictions resulting from the corona pandemic remain across large parts of the world. Accordingly, we're anticipating some delays in customer projects and barriers to new business sales in forthcoming quarters. Overall, we expect sales growth on the previous year and an operating margin above 20 percent.

Jan Häglund  
President and CEO

# Revenue

Enea's revenue in the third quarter amounted to SEK 259.0 million (208.8), consisting of Net Sales of SEK 256.6 million (206.4) and Other operating revenue of SEK 2.4 million (2.4). Net sales increased by 24 percent, currency adjusted an increase by 26 percent.

Some of the acquisitions Enea has executed in recent years have a higher share of new business, where individual contracts may be large in absolute terms, and with varying levels of recurring revenues. This means variations between individual quarters can occur.

Enea's offering is divided into three product groups: Network Solutions, Operating System Solutions, and Software development services.

## Network Solutions

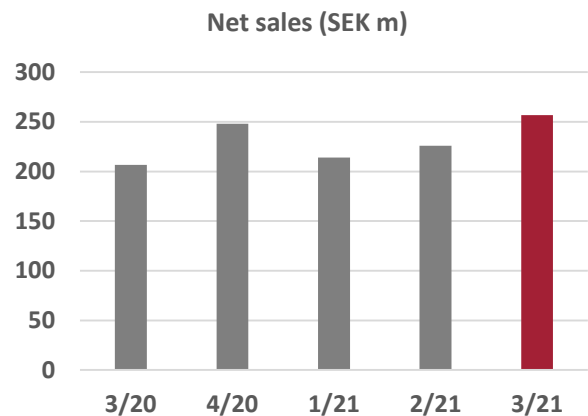
Network Solutions include products for mobile and fixed telecommunication and enterprise networks. These products are part of solutions from system vendors or are sold directly to network operators.

- Policy and access control - authentication of subscribers, and traffic management based on subscription terms, i.e. authorization and access to various types of service.
- Deep packet inspection – identification and classification of data traffic for the optimal use of available resources and enhanced network security.
- Mobile data traffic management – ensuring high and consistent quality of various types of service based on data traffic, with a specific focus on video traffic.
- Management of operators' Wi-Fi services for enterprises and consumers with automatic and secure login.
- Cloud data management – large-scale processing of subscriber information, such as subscription terms, contract period and service usage.
- Network function virtualization – products that enable new ways to build networks, where applications and software become hardware independent.
- Security – products and services that monitor and protect signaling and messaging traffic in telecom networks.

Network Solutions' sales amounted to SEK 197.6 million (136.7) and increased by 44 percent in the quarter and by 46 percent currency adjusted. The increase is mainly due to the acquisitions of Aptilo and AdaptiveMobile Security, which contributed with SEK 21.7 million and SEK 47.3 million, respectively. Organic growth was, adjusted for currency, -6 percent, related to a strong comparative quarter with license sales to governments and enterprises. This product group represented 77 percent (66) of total net sales in the quarter and has growing strategic significance to Enea.

## Operating System Solutions

Operating System Solutions (OS Solutions) include software for real-time applications and network function virtualization. The former category is operating systems, i.e. software that enables the installation of applications on different computers



and platforms. Enea's offering in this segment enables solutions that can be defined as follows:

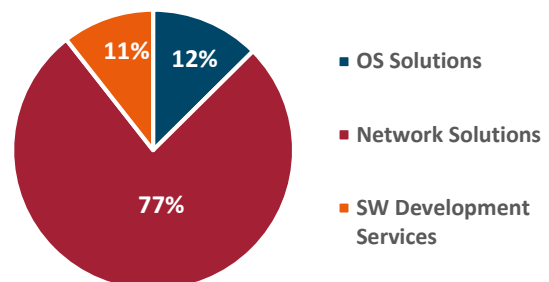
- Operating systems – products that are used in systems where reliability, performance, and real-time operation are critical, for example mobile network infrastructure. The tools used for developing applications for Enea's operating systems are often part of this business.

Sales in Operating System Solutions amounted to SEK 32.2 million (38.0) and were down by 15 percent in the quarter. The decrease is mainly driven by lower sales from key accounts, where sales decreased by 19 percent and was 78 percent (81) of sales for the product group. The decrease is expected and relates to key customers increasing the share of open source technology in their system solutions. The Operating Systems Solution product group represented 12 percent (18) of net sales in the quarter.

## Software development services

Software Development Services (SW Development Services) provide consulting services and expertise for developing integrated systems and other high-end system solutions. Sales in Software development services amounted to SEK 27.1 million (31.8) and decreased by 15 percent in the quarter. The decrease is mainly due to lower revenues from customers negatively affected by the corona pandemic. This product group represented 11 percent (15) of total net sales in the quarter.

Net sales/product group Jul-Sep



# Net sales per region and market segment

*Enea reports sales by region: EMEA, the Americas, and Asia. Enea has sales offices in Sweden, Germany, France, Spain, the UK, Ireland, Austria, Czech Republic, Romania, the US, Canada, China, Japan, India, Singapore, Malaysia, South Africa, and the United Arab Emirates.*

## EMEA

The EMEA region includes sales of both software and services. Sale of software mainly consists of telecom operators and telecom manufacturers, such as Vodafone and Nokia. Sale takes place from offices in Sweden, Germany, France, Spain, the UK, Ireland, Austria, Czech Republic, Romania, South Africa, and the United Arab Emirates.

Net sales in EMEA increased by 32 percent in the quarter, year over year.

## Americas

The Americas region includes software and services sales. Software sales are mainly towards customers within the telecom industry, such as AT&T and Cisco, from offices in the US and Canada. Service sales are to customers in several sectors, including the medical and aerospace industries.

Net sales increased by 26 percent in the quarter, year over year.

## Asia

The Asia region is mainly managed from offices in China, Japan, India, Singapore, Malaysia, and India.

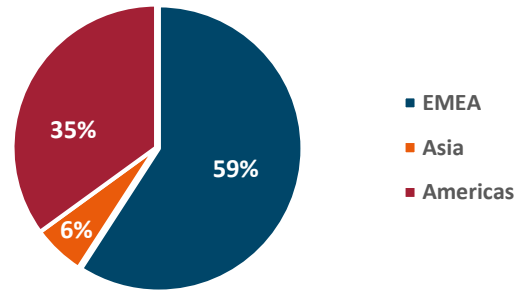
Net sales decreased by 24 percent in the quarter, year over year.

*Enea reports sales by market segment: Telecom equipment manufacturers, Telecom operators, Enterprises, and Other.*

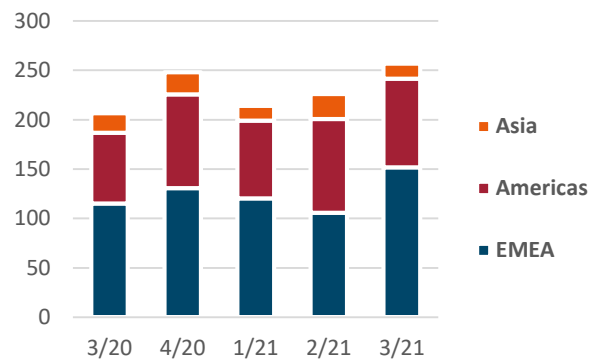
Net sales by market segment is illustrated to the right. Sales for the Telecom/OEMs segment was 27 percent (40) of total net sales. Sales for the segment Telecom/operators was 40 percent (21) of total net sales.

The Enterprises market segment was 28 percent (38) of total net sales. Other, which includes government and similar, was 5 percent (1) of total net sales.

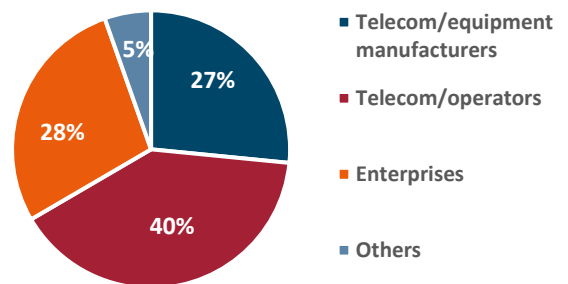
Net sales per region Jul-Sep



Net sales per region



Net sales/market segment Jul-Sep



## Cost of goods and services sold

Cost of goods and services sold are costs that relate directly to delivery of the company's production licenses, development licenses including support and maintenance, product-related services, and software development services. These costs also include expenses associated with third-party products, and direct personnel costs related to the delivery of consulting services. Direct costs related to license sales normally represent less than 10 percent of net sales, while costs for product-related and Software Development Services normally account for 60 to 80 percent of revenues. Enea also reports amortization of intellectual property rights, including acquired product rights and customer contracts, as well as capitalized product development expenses, as cost of goods and services sold.

In the third quarter of 2021, Enea's cost of goods and services sold was SEK 88.9 million (65.4), equivalent to a gross margin of 66.3 percent (69.9). The gross margin was negatively affected by an increase in depreciation and amortization, and currency effects on working capital. Depreciation and amortization increased by SEK 12.3 million to SEK 30.1 million (17.8), an effect of acquisitions in recent years. The negative currency effect on working capital decreased by SEK 4.1 million to SEK 0.3 million (4.4). The gross margin was positively affected by the revenue mix, where the share of Software Development Services (with a lower gross margin) was 11 percent (15) of net sales. For the period, cost of goods and services amounted to SEK 232.0 million (217.2), equivalent to a gross margin of 68.2 percent (68.9). Restructuring costs amounted to SEK 0 (7.3) million for the period.

## Operating costs

Operating costs are sales and marketing costs as well as product development costs and administration costs. The operating costs amounted to SEK 122.1 million (101.5) in the quarter and SEK 320.1 million (335.2) in the period. Aptilo's and AdaptiveMobile Security's operating costs were SEK 8.9 million and SEK 19.7 million, respectively, in the quarter. Costs for share-based incentive programs amounted to SEK 1.8 million (6.2) in the quarter and SEK 9.3 million (13.0) for the period. The cost depends on the share price development. The decrease in operating costs relates mainly to previous year's restructuring. Transaction costs amounted to SEK 12.5 million (4.0) in the

quarter and period. Restructuring costs amounted to SEK 0 million (0.8) in the quarter and SEK 0 million (12.7) in the period.

## Sales and marketing costs

Sales and marketing costs include fixed and performance-related salary for the company's sales staff, and costs associated with the company's marketing activities, such as participation at trade fairs, seminars, advertising, and the web. Sales and marketing costs were SEK 48.3 million (44.9) in the third quarter, or 18.8 percent (21.8) of net sales in the quarter. For the period, sales and marketing costs were SEK 134.4 million (154.5), or 19.3 percent (23.2) of net sales for the period. The decrease is mainly related to lower staff costs following previous year's restructuring programs and reduced costs for travel and trade fairs.

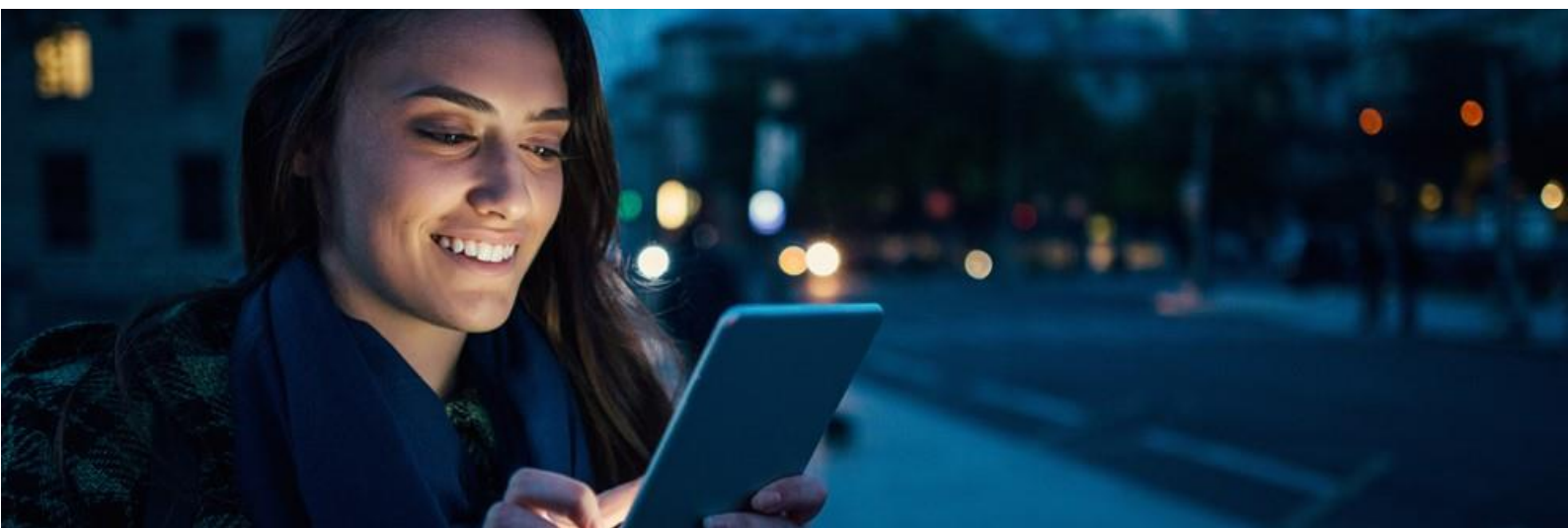
## Product development costs

Product development costs consist of direct and indirect costs associated with management, development and testing of the company's software products, such as personnel costs and costs for development tools and IT environments. A proportion of the company's costs for new software product development is capitalized in the Balance Sheet and is normally amortized over 36 to 60 months.

Total R&D investments in the third quarter 2021 were SEK 66.2 million (54.5), of which product development costs recognized in the Income Statement were SEK 34.7 million (27.9), corresponding to 13.5 percent (13.5) of net sales in the quarter. SEK 189.2 million (187.5) was invested in the period, of which product development costs recognized in the Income Statement were 95.6 million (101.8), corresponding to 13.7 percent (15.3) of net sales. SEK 31.5 million (26.6) of product development costs were capitalized in the third quarter and SEK 93.6 million (85.7) were capitalized in the period.

## Administration costs

Administration costs comprise costs of management, the Board of Directors, and common corporate functions, including internal and external legal expenses and audit fees. In the third quarter, administration costs were SEK 39.1 million (28.7), or 15.2 percent (10.1) of net sales for the quarter. Costs for the period were SEK 90.1 million (78.9), or 12.9 percent (11.0) of net sales. Transaction costs related to acquisitions amounted to SEK 12.5 million (4.0) in the quarter and the period.



# Results of operations, cash flow, investments, and financial position

## Results of operations

The group's operating profit excluding non-recurring items amounted to SEK 60.6 million (47.6) in the third quarter, and was SEK 167.3 million (148.4) for the period, which corresponds to an operating margin excluding non-recurring items of 23.6 percent (23.0) for the quarter and 24.0 percent (22.3) for the period.

The group's operating profit was SEK 48.1 million (42.8) in the third quarter with a currency effect of -7 percent (-3). The operating profit for the period was SEK 154.9 million (124.5). The operating margin was 18.7 percent (20.7) in the quarter and 22.2 percent (18.7) for the period.

Net financial income/expense was SEK 9.2 million (-6.3) for the quarter and SEK 9.8 million (-9.5) for the period and included interest costs of SEK -3.4 million (-2.0), currency effects on financial items of SEK 12.4 million (-4.6), and interest income of SEK 0.2 million (0.3) for the quarter. Profit after tax amounted to SEK 50.2 million (31.1) for the quarter and SEK 145.7 million (94.9) for the period. Earnings per share were SEK 2.33 (1.44) for the quarter and SEK 6.76 (4.43) for the period.

## Cash flow

Cash flow from operating activities was SEK 28.3 million (82.8) for the third quarter and SEK 191.3 million (212.7) for the period. Cash flow was affected by changes in working capital of SEK -57.9 million (14.8), where the decrease mainly is due to a higher ratio

of large projects with different payment flows, compared with the third quarter 2020. Total cash flow was SEK -75.7 million (-4.0) for the third quarter and SEK -23.1 million (35.2) for the period.

## Investments

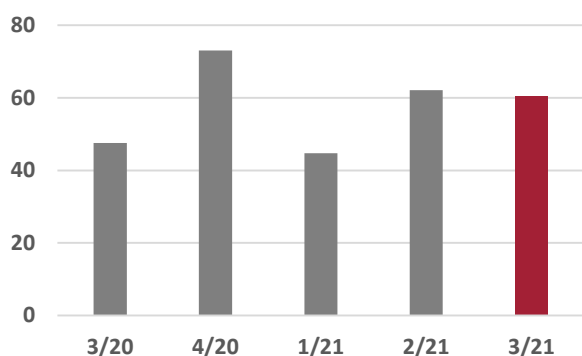
The group's investments amounted to SEK 526.2 million (34.1) in the third quarter and SEK 592.7 million (99.1) for the period. Depreciation and amortization amounted to SEK 32.9 million (21.6) for the third quarter and SEK 85.9 million (60.4) for the period. Enea capitalized SEK 31.5 million (26.6) of product development expenses in the quarter and SEK 93.6 million (85.7) for the period. Amortization of capitalized product development expenses was SEK 16.5 million (11.3) for the third quarter and SEK 48.1 million (31.6) for the period. Depreciation of leased assets was SEK 4.7 million (5.1) in the quarter and SEK 13.6 million (15.6) for the period.

## Financial position

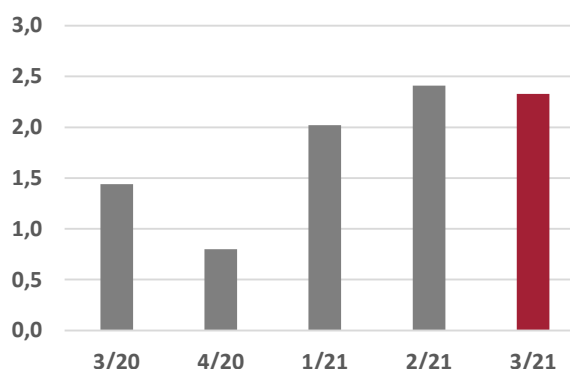
Net debt was SEK 614.6 million (121.6) at period end, with cash and cash equivalents of SEK 176.4 million (180.0) and interest-bearing bank liabilities of SEK 790.4 million (301.6). Interest-bearing liabilities were divided between long term of SEK 568.4 million (229.5), and current of SEK 222.6 million (72.1).

The equity ratio was 56.9 percent (69.6), and total assets amounted to SEK 2,984.1 million (2,230.6) at period end. Net debt/EBITDA (12 months) was 1.76 (0.43).

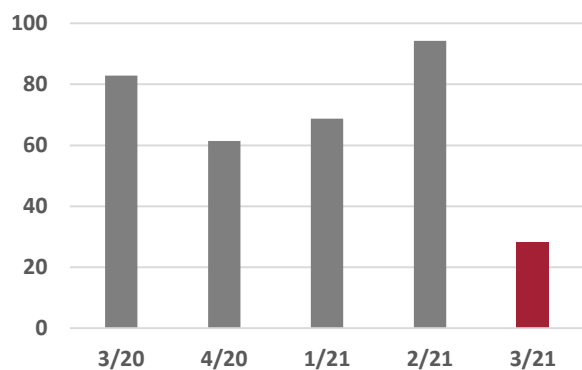
Operating profit excluding NRI (SEK m)



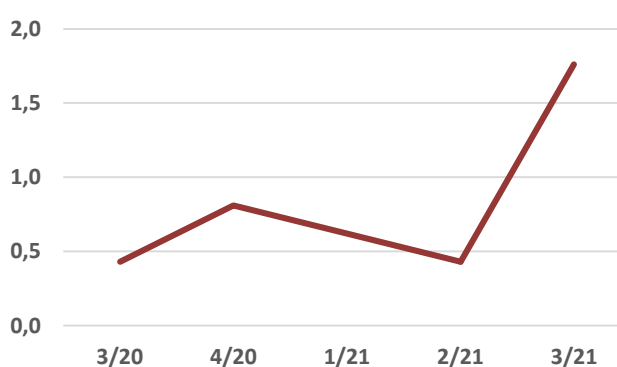
Earnings per share (SEK)



Cash flow from operations (SEK m)



Net debt/EBITDA (ratio)



## Parent company

The parent company's revenue for January to September amounted to SEK 34.6 million (38.0) and loss before appropriations and tax amounted to SEK -28.3 million (-27.3). The parent company's net financial income/expense was SEK -0.5 million (0.7), and cash and cash equivalents were SEK 0 million (4.0) at period end. The parent company's investments in the quarter were SEK 0 million (0.5). The parent company had 16 (16) employees at the end of the period. The parent company does not conduct its own operations and its risks primarily relate to the operations of subsidiaries.

## Employees

At the end of the quarter, the group had 769 (635) employees. The increase of staff related to acquisition of business is 167.

## Repurchase of treasury shares

Enea repurchased 39 524 shares in the third quarter, in relation to the financing of the share-based incentive program LTIP19. Enea held 78 212 treasury shares at the end of the period, or 0.4 percent of the total number of shares.

## Annual General Meeting

Enea's Annual General Meeting (AGM) 2022 will be held at 4:30 p.m. on 5 May in Stockholm.

## Nomination Committee

In consultation with the largest shareholders, the Chairman of the Board of Enea AB has established a Nomination Committee for the AGM 2022. The members of the Nomination Committee are: Per Lindberg, Jan Dworsky (Swedbank Robur Fonder), Niklas Johansson (Handelsbanken Fonder), Henrik Söderberg (C WorldWide Asset Management) and Anders Lidbeck (Chairman of Enea AB). The Nomination Committee has appointed Per Lindberg as Chairman. The duty of the Nomination Committee is to submit proposals for the Chairman and other members of the Board, and fees and other compensation for work on the Board to each of the Board members, to the AGM. The Nomination Committee should also submit proposals on the election and remuneration of auditors. The Nomination Committee should also submit proposals on the process for appointing a nomination committee for the AGM 2023.

*The Annual Report and other documentation are available at Enea's website, [www.enea.com](http://www.enea.com)*



## Financial assets and liabilities

The group applies IFRS 13. This Standard requires disclosures regarding uncertainty in valuations based on the three levels used for financial instruments.

*Level 1:* Fair value of financial instruments traded on an active market is based on listed market prices on the reporting date. A market is regarded as active if listed prices from a stock exchange, broker, industry group, pricing service or surveillance agency are readily and regularly available and if these prices represent actual and regularly occurring arm's length market transactions. The listed market price used for the group's financial assets is the current purchase price for corporate bonds. These are level 1 instruments.

*Level 2:* Fair value of financial instruments not traded on an active market (e.g. OTC derivatives are measured with the aid of valuation techniques). The group has currency derivatives, which are used for hedging purposes. Currency hedges are measured at market value by conducting an early allocation of the currency hedge to determine what the forward price would be if the maturity were at the reporting date. As of 30 September 2021, the group's currency hedged amounted to a receivable of SEK 2.6 million, which is the total of level 2.

*Level 3:* The group does not report any financial instruments at level 3 as of 30 September 2021.

For other financial assets and liabilities, carrying amount is consistent with fair value.

Allocation by level in fair value measurement, 30 September, SEK million	Level 1	Level 2	Level 3	Total
<i>Derivative instruments used for hedging purposes:</i>				
Currency derivatives	-	2.6	-	2.6
<b>Total</b>	-	<b>2.6</b>	-	<b>2.6</b>

## Accounting policies

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting, which is consistent with Swedish legislation by applying RFR's (the Swedish Financial Reporting Board) recommendation RFR 1, Supplementary Accounting Rules for Groups, and RFR 2, Accounting for Legal Entities, for the parent company. The same accounting policies, definitions of key figures and computation methods have been applied as in the most recent annual accounts of the group and the parent company, unless otherwise stated below.





# Financing, risks, long-term ambition & outlook

## Financing

Enea has a SEK 70 million overdraft facility, of which SEK 36.3 million had been utilized at the end of the quarter. The terms and conditions of the overdraft facility include covenants regarding net debt/EBITDA, all of which were satisfied as of 30 September 2021.

Enea has four bank loans of SEK 80 million (raised January 2019), SEK 250 million (raised October 2019), SEK 130 million (raised October 2020), and EUR 40 million (raised July 2021). The loans are to be repaid within two years. Interest accrues at Stibor 3M (with a floor) plus a market yield. The agreement stipulates customary covenants. These covenants were satisfied as of 30 September 2021. The remaining liability as of 30 September amounted to SEK 750 million.

## Material risks and uncertainty factors

Dependency on Key Accounts is decreasing but remains high. These customers represented approximately 15 percent of the group's revenues in the quarter and the trend for these revenues is declining.

Enea is mainly active in cybersecurity and telecommunication, the latter being its largest market. The corona pandemic has a major negative impact on the global economy, which affects some customers' risk appetites and willingness to invest. For Enea, this may mean some projects being delayed, or not being executed. Meanwhile, the underlying drivers of telecommunication, involving a continued focus on virtualization, 5G and increased network capacity, remain. One effect of the corona pandemic has been traffic volumes in networks increasing, as many students and business employees work from home. This effect is likely to be partly transient, even if more widespread usage of digital tools and remote working do become a permanent change.

Enea's people in many countries are affected by being unable to get to their usual workplaces. Essentially, Enea's business can operate from people's homes for a period. Enea has the tools to enable this with state-of-the-art communication solutions. Efficiency remains high but will, to some extent, be affected if restrictions on physical meetings continue. Contact with customers now also mainly takes place via different communication solutions, instead of physical meetings. Enea has during 2021 received government support in form of a forgiven Covid-related loan of SEK 4.7 million.

Since there were no other significant changes to material risks and uncertainties in the quarter, the reader is referred to the review on pages 26-29 of the most recent Annual Report.

## Long-term ambition

Our mission is to be a world-leading supplier of software components for telecommunication and cybersecurity. The market for data management in 5G, virtualization, and advanced cybersecurity is entering an exciting phase, where we can challenge established competitors and win market shares with innovative products and new business models. Overall, our ambition is to increase revenue robustly through the coming years, with an operating margin exceeding 20 percent, through organic growth in Network solution, plus complementary

strategic acquisitions that advance our market position. This ambition means us passing yearly net sales of SEK 1.5 billion by 2023. The operating margin will vary between quarters, tracking growth. Growth and earnings performance will vary during years and between quarters, primarily due to how individual transactions occur, and the progress of royalty streams.

## Outlook for 2021

We're starting to witness the return to a more normal business situation, even if restrictions resulting from the corona pandemic remain across large parts of the world. Accordingly, we're anticipating some delays in customer projects and barriers to new business sales in forthcoming quarters. Overall, we expect sales growth on the previous year and an operating margin above 20 percent.

Kista, Sweden, 26 October 2021

The Board of Directors

## Auditors report

### Enea AB (publ) corp. reg. no. 556209-7146

#### Introduction

We have reviewed the condensed interim financial information (interim report) of Enea AB (publ) as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

#### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, Sweden, 26 October 2021

Öhrlings PricewaterhouseCoopers AB  
Nicklas Kullberg, Authorized Public Accountant

### Acquisition of AdaptiveMobile Security

On July 17<sup>th</sup> Enea acquired AdaptiveMobile Security including subsidiaries. The acquired company is market leading in technology for the protection of signaling and messaging in mobile networks. AdaptiveMobile Security is acquired at an enterprise value of EUR 45 million on a debt- and cash free basis and the transaction is financed by a new bank loan and cash. The company's net sales 2020 amounted to EUR 15.5 million and it has 135 employees with head quarter in Dublin, Ireland.

The company was consolidated into Enea from the acquisition date, when operations were integrated into the Network Solutions product group. For the period acquisition date to September 2021, the unit reported sales of SEK 47.3 million and an operating profit of SEK 9.9 million. The goodwill arising in the acquisition is not tax deductible and relates to estimated profitability, additions to the product portfolio, and expected synergy effects. The financial impact of this transaction is illustrated below. The analysis of fair value adjustment of product rights, customer contracts, current receivables and current liabilities is preliminary up to twelve months after acquisition date.

	<b>SEK thousand</b>
Purchase price	
Cash and cash equivalents	400,342
<b>Total purchase consideration</b>	<b>400,342</b>

The preliminary carrying amounts (fair value recognized in the group) of identifiable assets and liabilities taken over as of the acquisition date:

<b>Fair value reported in the group</b>	
Customer contracts	176,458
Product rights	20,833
Trademark	2,325
Tangible fixed assets	1,337
Other financial fixed assets	127
Current receivables	52,087
Cash and cash equivalents	21,195
Deferred tax liability	-24,952
Long-term liabilities, interest bearing	-15,330
Other long-term liabilities	-3,677
<b>Current liabilities, interest bearing</b>	<b>-121,161</b>
Net identifiable assets and liabilities	109,242
Goodwill	291,101
<b>Acquisition cost for the group</b>	<b>400,342</b>

The cash flow impact of the transaction amounts to SEK -379 million, consisting of purchase price of SEK -400 million and acquired cash of SEK 21 million. In connection to the acquisition, short-term liabilities of SEK 78 million were taken over and paid during the quarter.

### Acquisition-related expenses

Acquisition related expenses of SEK 12.5 million are included in administrative costs in the Consolidated Income Statement for 2021.

# Consolidated Statement of Comprehensive Income

SEK m	Jul-Sep		Jan-Sep		12 months	Full year
	2021	2020	2021	2020	Oct-Sep	2020
Net sales	256.6	206.4	696.4	667.1	944.4	915.1
Other operating revenue	2.4	2.3	10.5	9.7	14.8	14.0
<b>Total revenue</b>	<b>259.0</b>	<b>208.8</b>	<b>706.9</b>	<b>676.8</b>	<b>959.2</b>	<b>929.1</b>
Cost of goods and service sold	-88.9	-64.5	-232.0	-217.2	-307.9	-293.1
<b>Gross profit</b>	<b>170.1</b>	<b>144.3</b>	<b>474.9</b>	<b>459.6</b>	<b>651.3</b>	<b>636.0</b>
Sales and marketing costs	-48.3	-44.9	-134.4	-154.5	-182.3	-202.5
R&D costs	-34.7	-27.9	-95.6	-101.8	-134.3	-140.5
General and administration costs	-39.1	-28.7	-90.1	-78.9	-115.7	-104.4
<b>Operating profit 1) 2) 3) 4)</b>	<b>48.1</b>	<b>42.8</b>	<b>154.9</b>	<b>124.5</b>	<b>219.0</b>	<b>188.6</b>
Net financial income/expense	9.2	-6.3	9.8	-9.5	-5.2	-24.5
<b>Profit before tax</b>	<b>57.2</b>	<b>36.5</b>	<b>164.6</b>	<b>114.9</b>	<b>213.8</b>	<b>164.2</b>
Tax	-7.0	-5.4	-18.9	-20.1	-20.7	-21.9
<b>Net profit for the period</b>	<b>50.2</b>	<b>31.1</b>	<b>145.7</b>	<b>94.9</b>	<b>193.2</b>	<b>142.3</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<i>Items that may be reclassified to profit or loss</i>						
Change in hedging reserve, after tax	-0.5	-0.5	-2.0	-1.1	1.5	2.4
Exchange rate differences	28.1	-33.1	70.1	-33.9	-45.4	-149.4
<i>Items that will not be reclassified to profit or loss</i>						
Pension obligations	0.2	-0.6	0.7	0.3	-0.7	-1.1
<b>Total comprehensive income for the period, net of tax</b>	<b>77.9</b>	<b>-3.1</b>	<b>214.6</b>	<b>60.1</b>	<b>148.6</b>	<b>-5.9</b>
Profit for the period attributable to equity holders of the parent company	50.2	31.1	145.7	94.9	193.2	142.3
Comprehensive income for the period attributable to equity holders of the parent company	77.9	-3.1	214.6	60.1	148.6	-5.9
1) including depreciation of tangible assets	2.7	3.7	7.8	8.5	10.5	11.2
2) Including amortization of intangible assets	30.2	17.9	78.0	51.9	102.2	76.1
3) Including amortization of right-to-use assets	4.7	5.1	13.6	15.4	18.4	20.3
<b>4) Non-recurring items included in operating profit</b>						
Operating profit including non-recurring items	48.1	42.8	154.9	124.5	219.0	188.6
Restructuring costs	-	0.8	-	20.0	8.7	28.7
Transaction costs related to acquisitions	12.5	4.0	12.5	4.0	12.7	4.3
<b>Operating profit excluding non-recurring items</b>	<b>60.5</b>	<b>47.6</b>	<b>167.3</b>	<b>148.4</b>	<b>240.4</b>	<b>221.5</b>

## Key figures – Income Statement

SEK m	Jul-Sep		Jan-Sep		12 months	Full year
	2021	2020	2021	2020	Oct-Sep	2020
Earnings per share (SEK)	2.33	1.44	6.76	4.43	8.97	6.63
Earnings per share after full dilution (SEK)	2.33	1.44	6.76	4.43	8.97	6.63
Average number of shares before dilution (million)	21.6	21.5	21.6	21.4	21.5	21.5
Average number of shares after dilution (million)	21.6	21.5	21.6	21.4	21.5	21.5
Net sales growth (%)	24	-16	4	-9	2	-8
Gross margin (%)	66.3	69.9	68.2	68.9	69.0	69.5
EBITDA (SEK m)					350.2	296.1
Operating costs as % of revenue						
- Sales and marketing costs	18.8	21.8	19.3	23.2	19.3	22.1
- R&D costs	13.5	13.5	13.7	15.3	14.2	15.4
- G&A costs	15.2	13.9	12.9	11.8	12.3	11.4
Operating margin excl. non-recurring items (%)	23.6	23.0	24.0	22.3	25.5	24.2
Operating margin (%)	18.7	20.7	22.2	18.7	23.2	20.6

## Consolidated Statement of Financial Position

<i>SEK m</i>	30 Sep 2021	30 Sep 2020	31 dec 2020
<b>ASSETS</b>			
Intangible assets	2,305.5	1,669.5	1,734.5
- goodwill	1,572.8	1,241.6	1,227.7
- capitalized development	269.7	202.5	216.0
- product rights	71.9	55.5	57.4
- customer contracts	323.6	116.0	167.0
- trademarks	26.5	22.4	23.5
- right-to-use assets	40.4	30.4	42.0
- other intangible assets	0.7	1.1	1.0
Inventories, tools and installations	23.4	21.7	21.3
Deferred tax assets	12.9	8.3	19.4
Other fixed assets	5.0	4.0	6.1
<b>Total fixed assets</b>	<b>2,346.8</b>	<b>1,703.6</b>	<b>1,781.4</b>
Current receivables	461.0	347.0	357.5
Cash and cash equivalents	176.4	180.0	195.1
<b>Total current assets</b>	<b>637.4</b>	<b>527.0</b>	<b>552.6</b>
<b>Total assets</b>	<b>2,984.1</b>	<b>2,230.6</b>	<b>2,334.0</b>
<b>EQUITY and LIABILITIES</b>			
<b>Equity</b>	<b>1,699.4</b>	<b>1,553.1</b>	<b>1,487.5</b>
<b>Provisions</b>	<b>2.0</b>	<b>6.0</b>	<b>3.1</b>
Long-term liabilities			
Deferred tax liabilities	124.9	84.8	96.0
Long-term liabilities, interest-bearing	568.4	229.5	291.7
Long-term liabilities, non-interest-bearing	19.7	14.3	15.8
Long-term liabilities, leasing	23.7	16.2	26.1
<b>Total long-term liabilities</b>	<b>736.7</b>	<b>344.9</b>	<b>429.6</b>
Current liabilities			
Current liabilities, interest-bearing	222.6	72.1	142.2
Current liabilities, non-interest-bearing	305.9	239.5	254.9
Current liabilities, leasing	17.6	15.1	16.8
<b>Total current liabilities</b>	<b>546.1</b>	<b>326.7</b>	<b>413.9</b>
<b>Total equity and liabilities</b>	<b>2,984.1</b>	<b>2,230.6</b>	<b>2,334.0</b>

## Consolidated Statement of Changes in Equity

<i>SEK m</i>	30 Sep 2021	30 Sep 2020	31 dec 2020
At beginning of period	1,487.5	1,481.3	1,481.3
Total comprehensive income for the period	214.6	60.1	-5.9
Share saving program	6.2	13.4	13.8
Repurchasing of own shares	-8.9	-1.7	-1.7
<b>At end of period</b>	<b>1,699.4</b>	<b>1,553.1</b>	<b>1,487.5</b>

# Consolidated Statement of Cash Flow

SEK m	Jul-Sep		Jan-Sep		Full year
	2021	2020	2021	2020	2020
Operating cash flow before changes in working capital	86.1	68.1	254.5	199.1	279.9
Cash flow from changes in working capital	-57.9	14.8	-63.2	13.6	-5.7
Cash flow from operating activities	28.3	82.8	191.3	212.7	274.2
Cash flow from investing activities	-34.8	-34.6	-100.2	-99.7	-130.9
Cash flow from acquisition of operations, net	-379.3	-	-379.3	-	-90.5
Cash flow from financing activities, raising of loans	397.8	5.3	412.2	5.3	139.4
Cash flow from financing activities, amortization of loans	-74.0	-52.4	-124.7	-65.7	-108.3
Cash flow from financing activities, amortization of lease liability	-4.7	-5.2	-13.6	-15.7	-20.5
Cash flow from financing activities, repurchase of shares	-8.9	-	-8.9	-	-
Cash flow from financing activities, settlement of share savings program	-	-	-	-1.7	-1.7
Cash flow for the period	-75.7	-4.0	-23.1	35.2	61.6
Cash and cash equivalents at the beginning of period	250.5	184.5	195.0	146.1	146.1
Exchange rate difference in cash and cash equivalents	1.6	-0.4	4.4	-1.3	-12.7
Cash and cash equivalents at the end of period	176.3	180.0	176.3	180.0	195.0

## Key figures – Balance Sheet and Cash Flow Statement

SEK m	Jan-Sep		12 months	Full year
	2021	2020	Oct-Sep	2020
Cash and cash equivalents (SEK m)	176.4	180.0	176.4	195.1
Equity ratio (%)	56.9	69.6	56.9	63.7
Equity per share (SEK)	78.9	72.1	78.9	69.1
Cash flow from operating activities per share (SEK)	8.9	9.9	11.7	12.8
Net debt (SEK m)	614.6	121.6	614.6	238.8
Number of employees at end of period	769	635	769	659
Return on equity (%)	-	-	11.9	9.6
Return on capital employed (%)	-	-	12.1	11.2
Return on assets (%)	-	-	10.2	9.5

## Parent Company

### Income Statement

SEK m	Jan-Sep		Full year
	2021	2020	2020
Revenue	34.6	38.0	43.3
Operating costs	-62.5	-65.9	-82.6
Operating profit	-27.9	-28.0	-39.3
Financial net	-0.5	0.7	1.6
Profit/loss after financial net	-28.3	-27.3	-37.7
Appropriations	-	-	37.0
Profit/loss before tax	-28.3	-27.3	-0.7
Tax	5.8	5.6	-
<b>Net profit/loss for the period</b>	<b>-22.5</b>	<b>-21.6</b>	<b>-0.7</b>

## Parent Company

### Balance Sheet

SEK m	30 Sep		31 Dec
	2021	2020	2020
<b>ASSETS</b>			
Fixed assets	213.2	175.5	212.4
Current assets	1,464.9	990.1	1,116.5
<b>Total assets</b>	<b>1,678.1</b>	<b>1,165.6</b>	<b>1,329.0</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	826.4	830.3	851.7
Untaxed reserves	3.7	4.1	3.7
Long-term liabilities, interest-bearing	568.4	229.5	291.7
Current liabilities, interest-bearing	217.6	67.0	137.5
Current liabilities, other	62.1	34.8	44.3
<b>Total equity and liabilities</b>	<b>1,678.1</b>	<b>1,165.6</b>	<b>1,329.0</b>

## Quarterly data\*

SEK m	2021			2020			2019			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>INCOME STATEMENT</b>										
Net sales	256.6	225.8	214.0	248.0	206.4	239.0	221.7	258.0	246.9	249.4
Other operating revenue	2.4	5.3	2.8	4.4	2.3	2.3	5.0	2.8	3.2	10.8
Cost of goods and services sold	-88.9	-72.1	-71.1	-75.9	-64.5	-73.5	-79.2	-74.5	-72.4	-68.4
Gross profit	170.1	159.0	145.7	176.4	144.3	167.7	147.6	186.4	177.8	191.8
Sales and marketing costs	-48.3	-41.5	-44.6	-48.0	-44.9	-54.3	-55.2	-53.8	-48.8	-51.1
R&D costs	-34.7	-30.5	-30.3	-38.7	-27.9	-29.1	-44.8	-44.0	-40.4	-44.5
General and administration costs	-39.1	-24.9	-26.1	-25.6	-28.7	-25.2	-25.0	-31.6	-25.0	-24.2
Operating profit	48.1	62.1	44.7	64.2	42.8	59.1	22.6	57.0	63.5	72.0
Net financial income/expense	9.2	-3.7	4.3	-14.9	-6.3	-4.2	1.0	-26.0	-8.2	-10.1
Profit before tax	57.2	58.4	48.9	49.2	36.5	54.9	23.5	30.9	55.3	62.0
Tax	-7.0	-6.5	-5.4	-1.8	-5.4	-8.1	-6.5	-2.8	-7.7	-9.6
<b>Net profit for the period</b>	<b>50.2</b>	<b>52.0</b>	<b>43.5</b>	<b>47.4</b>	<b>31.1</b>	<b>46.8</b>	<b>17.0</b>	<b>28.2</b>	<b>47.7</b>	<b>52.4</b>
Other comprehensive income	27.7	-30.2	71.3	-113.4	-34.2	-108.7	108.2	-62.5	63.4	2.1
<b>Total comprehensive income</b>	<b>77.9</b>	<b>21.8</b>	<b>114.9</b>	<b>-66.0</b>	<b>-3.1</b>	<b>-61.9</b>	<b>125.2</b>	<b>-34.3</b>	<b>111.0</b>	<b>54.5</b>
<b>BALANCE SHEET</b>										
Intangible assets	2,305.5	1,777.6	1,801.9	1,734.5	1,669.5	1,695.3	1,784.7	1,672.3	1,735.1	1,678.0
Other fixed assets	36.3	35.5	39.1	40.7	30.1	26.6	27.7	27.6	28.8	29.9
Other financial fixed assets	5.0	5.1	5.0	6.1	4.0	3.4	3.4	3.4	3.4	3.2
Current receivables	461.0	353.0	379.5	357.5	347.0	371.4	388.9	364.3	394.3	389.1
Cash and cash equivalents	176.4	250.5	236.9	195.1	180.0	184.5	170.3	146.1	395.7	150.5
<b>Total assets</b>	<b>2,984.1</b>	<b>2,421.7</b>	<b>2,462.5</b>	<b>2,334.0</b>	<b>2,230.6</b>	<b>2,281.2</b>	<b>2,375.1</b>	<b>2,213.8</b>	<b>2,557.2</b>	<b>2,250.7</b>
Shareholders' equity	1,699.4	1,629.2	1,606.0	1,487.5	1,553.1	1,552.2	1,611.5	1,481.3	1,507.9	1,126.8
Long-term liabilities, interest-bearing	592.1	181.2	315.5	317.7	245.7	246.4	283.6	283.6	105.9	604.4
Long-term liabilities, non-interest-bearing	146.6	116.2	116.1	115.0	105.1	102.5	103.1	99.0	93.0	90.0
Current liabilities, interest-bearing	240.2	247.3	163.0	159.0	87.2	134.5	105.1	117.0	515.5	88.3
bearing	305.9	247.7	262.0	254.9	239.5	245.7	271.7	232.9	334.9	341.3
<b>Total equity and liabilities</b>	<b>2,984.1</b>	<b>2,421.7</b>	<b>2,462.5</b>	<b>2,334.0</b>	<b>2,230.6</b>	<b>2,281.2</b>	<b>2,375.1</b>	<b>2,213.8</b>	<b>2,557.2</b>	<b>2,250.7</b>
<b>CASH FLOW</b>										
Cash flow from operating activities	28.3	94.3	68.8	61.5	82.8	67.7	62.2	48.6	69.5	33.7
Cash flow from investing activities	-34.8	-33.1	-32.3	-31.2	-34.6	-34.9	-30.2	-22.2	-21.4	-24.2
Cash flow from financing activities	310.2	6.0	-0.5	86.7	-52.3	-8.1	-17.4	-223.4	193.4	-1.4
<b>Cash flow for the period</b>	<b>303.7</b>	<b>67.3</b>	<b>36.0</b>	<b>116.9</b>	<b>-4.0</b>	<b>24.6</b>	<b>14.6</b>	<b>-197.0</b>	<b>241.5</b>	<b>8.1</b>
Cash flow from acquisition of operation:										
Cash flow for the period, from acquisition of operation	-379.3		-	-90.5	-	-	-	-47.1	-	-
<b>Total cash flow for the period</b>	<b>-75.7</b>	<b>67.3</b>	<b>36.0</b>	<b>26.5</b>	<b>-4.0</b>	<b>24.6</b>	<b>14.6</b>	<b>-244.2</b>	<b>241.5</b>	<b>8.1</b>

## Five-year summary\*

SEK m	2020	2019	2018	2017	2016
<b>INCOME STATEMENT</b>					
Net Sales	915.1	994.5	824.3	584.4	498.2
Other operating revenue	14.0	17.5	17.7	4.0	3.1
Operating expenses	-740.5	-757.3	-653.1	-485.6	-382.5
Operating profit	188.6	254.7	188.9	102.8	118.8
Net financial income/expense	-24.5	-51.7	-27.7	-5.2	5.2
Profit before tax	164.2	203.0	161.1	97.6	124.0
Profit for the period	142.3	169.7	141.7	82.5	94.6
<b>Total</b>	<b>142.3</b>	<b>169.7</b>	<b>141.7</b>	<b>82.5</b>	<b>94.6</b>
<b>BALANCE SHEET</b>					
Intangible assets	1,734.5	1,672.3	1,381.4	522.2	499.2
Other intangible assets	40.7	27.6	33.7	31.0	34.4
Other financial fixed assets	6.1	3.4	3.1	2.7	6.5
Financial assets held for sale, non-current	-	-	-	62.1	-
Current receivables	357.5	364.3	426.8	203.6	219.4
Financial assets held for sale, current	-	-	-	40.2	-
Cash and cash equivalents	195.1	146.1	74.7	312.0	223.5
<b>Total assets</b>	<b>2,334.0</b>	<b>2,213.8</b>	<b>1,919.7</b>	<b>1,173.8</b>	<b>983.0</b>
Shareholders' equity	1,487.5	1,481.3	985.8	754.2	422.9
Long-term liabilities, interest-bearing	291.7	263.0	539.8	82.0	116.0
Long-term liabilities, non-interest-bearing	141.0	119.6	86.8	161.8	161.9
Current liabilities, interest-bearing	142.2	99.1	94.3	34.0	34.0
Current liabilities, non-interest-bearing	271.7	250.8	212.9	141.8	248.2
<b>Total equity and liabilities</b>	<b>2,334.0</b>	<b>2,213.8</b>	<b>1,919.7</b>	<b>1,173.8</b>	<b>983.0</b>
<b>CASH FLOW</b>					
Cash flow from operating activities	274.2	245.2	168.6	116.6	128.1
Cash flow from investing activities	-130.9	-90.9	30.5	-139.7	49.6
Cash flow from investing activities-acquisition of operation	-90.5	-47.1	-954.4	-96.3	-139.6
Cash flow from financing activities	8.9	-35.9	514.2	206.6	56.2
<b>Cash flow for the period</b>	<b>61.6</b>	<b>71.2</b>	<b>-241.1</b>	<b>87.2</b>	<b>94.3</b>
<b>KEY FIGURES</b>					
Net sales growth, %	-8	21	41	17	5
Operating margin, %	20.6	25.6	22.9	17.6	23.8
Profit margin, %	17.9	20.4	19.5	16.7	24.9
Return on capital employed, %	11.2	15.6	17.0	16.3	27.8
Return on equity, %	9.6	13.8	16.3	14.0	23.0
Return on total capital, %	9.5	13.3	13.8	11.1	18.1
Interest coverage ration, multiple	4.1	3.8	4.1	5.4	10.2
Equity ratio, %	63.7	66.9	51.4	64.3	43.0
Liquidity, %	133.5	145.9	163.2	316.1	156.9
EBITDA	296.1	340.8	229.3	126.6	134.9
Net debt/EBITDA	0.81	0.63	2.44	-1.58	-0.55
Average number of employees	634	629	563	467	410
Net sales per employee, SEK m	1.4	1.6	1.5	1.3	1.2
Net asset value per share, SEK	69.09	68.80	45.79	39.00	26.61
Earnings per share, SEK	6.63	8.47	7.33	4.69	5.95
Dividend per share, SEK	-	-	-	-	2.00

\* Figures for 2016 have not been restated for IFRS 15.

# Financial definitions and alternative performance measures

**Cash flow from operating activities per share:** Cash flow from operating activities in relation to the average number of shares.

**Capital employed:** Total assets less non-interest-bearing liabilities including deferred tax liabilities. Average capital employed is computed as opening plus closing capital employed divided by two.

**Debt service ratio:** Cash flow from operating activities - ongoing investment + total financial expenses) in relation to the principal and total financial costs over a reference period of twelve (12) months.

**Dividend per share:** Dividend for the current financial year divided by the number of shares on the reporting date.

**Earnings per share:** Profit after tax in relation to the average number of shares.

**EBITDA:** Earnings before financial items plus depreciation. Equity per share: Equity in relation to the total number of shares outstanding. Equity ratio: Equity including minority interests in relation to total assets.

**Equity per share:** Equity in relation to the total number of shares outstanding.

**Interest coverage ratio:** Profit after financial items plus financial costs in relation to financial costs.<sup>2</sup>

**Gross margin:** Gross profit less reversed contingent consideration in relation to turnover.

**Interest coverage ratio:** Profit/loss after financial items plus financial expenses in relation to financial expenses.<sup>2</sup>

**Liquidity:** Cash and cash equivalents, including current investments and receivables, in relation to current liabilities.

**Net asset value per share:** Net asset value, equivalent to equity, in relation to the total number of shares outstanding.

**Net debt:** Interest-bearing liabilities and unconditional acquisition related liabilities less cash and cash equivalents and financial investments, i.e. negative net cash.

**Net sales growth<sup>1</sup>:** Revenue in the period in relation to the previous period's revenue.

**Net sales per employee:** Revenue in relation to the average number of employees.

**Non-recurring items:** Items of a non-repeating nature in normal operating activities. Non-recurring items include restructuring expenses, expenses for legal consulting relating to major disputes and transaction and integration expenses for major acquisitions. Transaction expenses include costs for legal and financial consulting but exclude financing expenses. Reversed contingent consideration are also included in non-recurring items. The purpose of specifying these items is to clarify the progress of underlying operations.

**Operating margin:** Operating profit in relation to revenue.

**Operating profit excl. non-recurring items:** Profit from operations before financial items and tax, adjusted for non-recurring items.

**Profit margin:** Profit/loss after financial items in relation to revenue.

**Return on capital employed:** Operating profit plus financial income related to average capital employed.

**Return on equity:** Profit (loss) after tax in relation to average equity.

**Return on total capital:** Profit after financial items plus financial costs in relation to average total assets.

*This Interim Report uses non-IFRS measures that Enea and other parties use to evaluate Enea's results of operations. These measures provide management and investors with significant information to analyze trends in the company's business operations. These non-IFRS measures are intended to complement, but not replace, financial measures presented in accordance with IFRS.*

	Jul-Sep		Jan-Sep		Full year
	2021	2020	2021	2020	2020
<b>1. Reconciliation of net sales growth</b>					
Net sales, SEK million	256.6	206.4	696.4	667.1	915.1
Net sales growth, SEK million	50.1	-40.5	29.3	-69.3	-79.4
Net sales growth, %	24	-16	4	-9	-8
SEK m	-3.5	-9.2	-36.6	-1.3	-13.6
%	-2	-4	-5	-0	-1
year, SEK m	53.7	-31.3	65.9	-68.0	104.4
year, %	26	-13	10	-9	-7

	Jul-Sep		Jan-Sep		Full year
	2021	2020	2021	2020	2020
<b>2. Reconciliation of financial income/expense</b>					
Financial income, SEK million	22.5	6.6	42.0	22.0	28.1
Financial expense, SEK million	-13.3	-12.9	-32.3	-31.5	-52.5
Reported financial income/expense	9.2	-6.3	9.8	-9.5	-24.5



# About Enea

Enea is one of the world’s leading specialists in software for telecommunication and cybersecurity. The company’s cloud-native products are used to enable and protect services for subscribers, enterprise customers, and the Internet of Things. More than three billion people rely on Enea technologies in their daily lives.

Enea focuses on selected core segments (see illustration below), where it aspires to leadership. The product portfolio includes:

- Cloud data management in 4G/5G networks
- Mobile video traffic management
- Signaling and messaging security
- Management of services in Wi-Fi networks
- Policy and access control
- Embedded traffic classification
- Virtualization platforms
- Cloud-based services for the Internet of Things
- Real-time operating systems for mobile networks

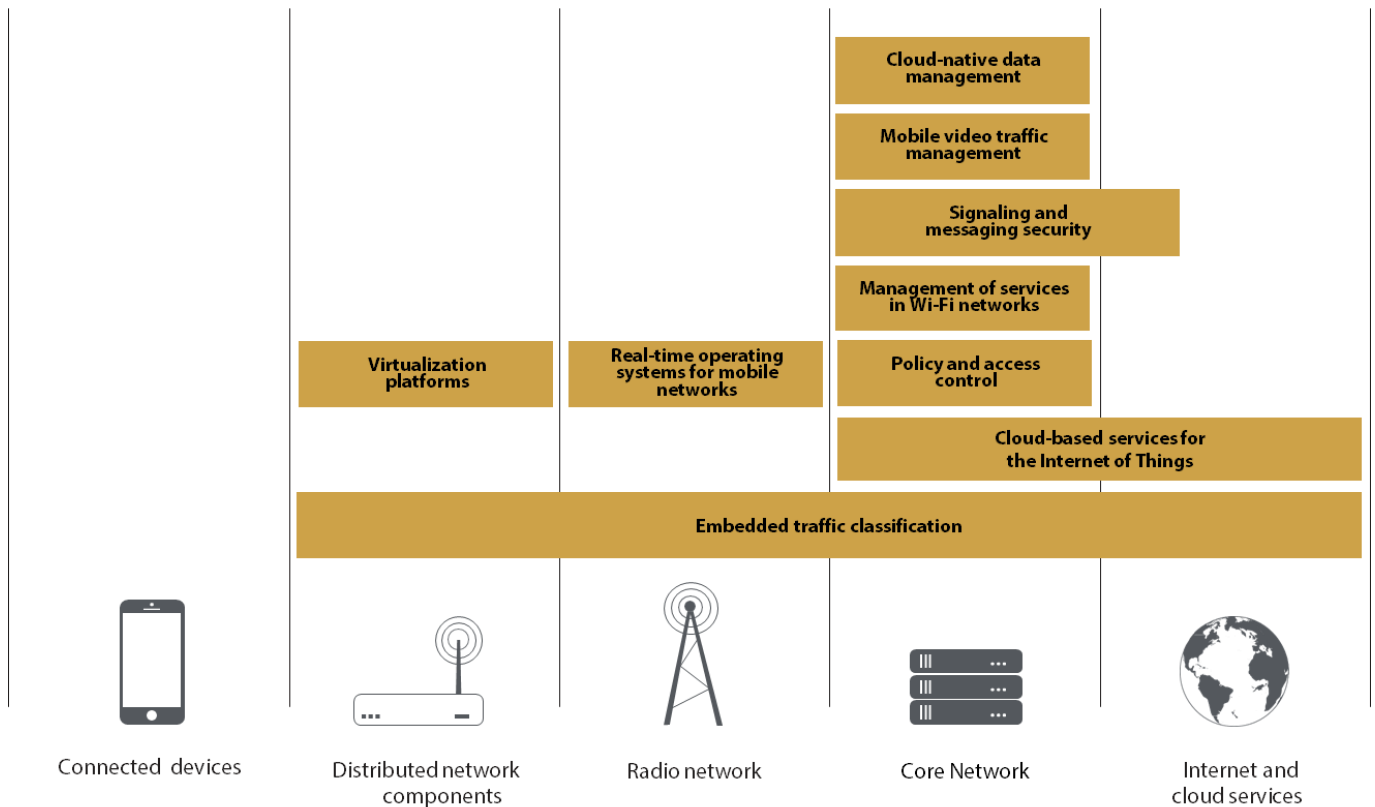
Enea applies two main sales models, direct sales to end-customers, and indirect sales through partners. Direct sales of turnkey solutions to operators are mainly in the four areas cloud data management, mobile video traffic management, management of services in Wi-Fi networks, and policy and access control.

Indirect sales involve component sales to system vendors or system integrators, who in turn, deliver and implement complete solutions for operators and enterprises. This sales model is mainly in real-time operating systems, embedded traffic intelligence and virtualization platforms.

Data communication solutions have been Enea’s core business since the company was founded over 50 years ago. Enea was the first company in the Nordic region to connect to the Internet and received the first email in Sweden. The company also registered Sweden’s first Internet domain, and at an early stage, was the hub of all Internet traffic in Sweden.

These and other product-related milestones have secured Enea’s market leadership in several strategic segments. The company was one of the pioneers behind the emergence of the Internet and mobile data communication and continues to drive technological progress by delivering market-leading products and solutions.

Enea also has a global services organization developing software on assignment from customers in different industries with demanding performance and reliability standards. The project engineers in this part of Enea’s organization have executed projects for customers providing solutions for medical devices, the aviation industry, and aerospace technology.



# About Enea

Enea has development centers and sales offices across Europe, North America, and Asia. The company's engineers and project managers have long-term experience of developing software, and take overall responsibility, covering everything from design and

coding to project management, quality-assurance, and training. A total of around 770 people work for the company, and its headquarters are located in Stockholm, Sweden.



Region	Country	City	Product development	Sales support	
Africa	South Africa	Johannesburg		●	
Europe	Austria	Vienna		●	
	Czech Republic	Brno	●	●	
	Croatia	Osijek	●		
	France	Paris	●	●	
	Germany	Berlin		●	
	Ireland	Dublin	●	●	
	Romania	Bucharest	●	●	
		Craiova	●		
		Iasi	●		
	Spain	Madrid		●	
	Sweden	Stockholm	●	●	
	UK	Belfast		●	
		Bristol		●	
	London		●		
Middle East	United Arab Emirates	Dubai		●	
North America	Canada	Toronto		●	
	US	Boston	●		
		Dallas		●	
		Miami		●	
		Phoenix		●	
		Redwood City		●	
	Seattle		●		
North-East Asia	Japan	Tokyo		●	
	China	Shanghai		●	
South-East Asia	India	Hyderabad	●	●	
		Pune	●		
	Malaysia	Kuala Lumpur		●	
	Singapore	Singapore		●	

## The share

### July - September 2021

Share price performance: 2.67%

Share turnover: 1 024 333

Highest closing price: SEK 247.00

Lowest closing price: SEK 205.00

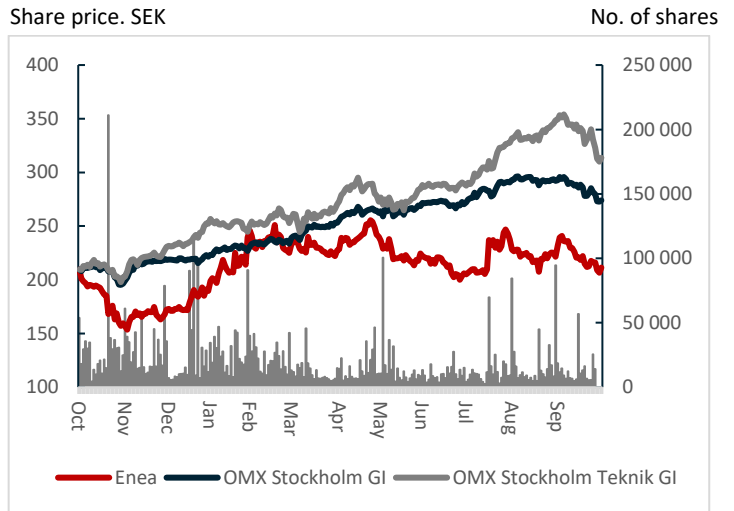
Closing price, period end: SEK 211.50

Market cap (30 September): SEK 4.572 million

Total no. of shares (30 September): 21 615 231

Share turnover (%): 4.7%

Daily share turnover: 15 520



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### Financial Information:

Annual Statement	2 February 2022
Interim report Jan-Mar	27 April 2022
Annual general meeting	5 May 2022
Interim report Jan-Jun	15 July 2022
Interim report Jan-Sep	26 October 2022

All financial information is published on Enea's website [www.enea.com](http://www.enea.com)

Financial reports may also be ordered by e-mail ([ir@enea.com](mailto:ir@enea.com)) or post (address to left).

*This Report contains forward-looking information that is based on the current expectations of Enea's management. Although management believes that the expectations reflected in such forward-looking information are reasonable, no assurance can be given that such expectations will prove accurate. Accordingly, actual outcomes may differ materially from those implied in the forward-looking information because of factors including changes to economic, market and competitive conditions, reforms of legislation and other political measures, fluctuations in exchange rates, and other factors. This document is essentially a translation of the Swedish language original. In the event of any discrepancy between this translation and the original, the latter shall take precedence.*