

Interim Report

January – June 2023



Second Quarter

- Net sales amounted to SEK 207.7 million (216.6), equivalent to a 4 percent decrease. Net sales decreased by 10 percent compared to last year in fixed exchange rates.
- Adjusted EBITDA amounted to SEK 48.8 million (70.8), corresponding to a margin of 23.5 percent (32.7).
- Operating profit was SEK -605.7 million (28.3), corresponding to an operating margin of -291.6 percent (13.1).
- Net profit after tax amounted to SEK -620.0 million (46.2).
- Earnings per share were SEK -28.70 (6.56).
- Earnings per share continued operations were SEK -28.70 (2.15).

The period January – June

- Net sales amounted to SEK 455.6 million (427.4), equivalent to a 7 percent increase. Net sales increased by 1 percent in fixed exchange rates.
- Adjusted EBITDA amounted to SEK 143.2 million (126.9), corresponding to a margin of 31.4 percent (29.7).
- Operating profit was SEK -558.2 million (19.3), corresponding to an operating margin of -122.5 percent (4.5).
- Net profit after tax amounted to SEK -584.0 million (33.2).
- Earnings per share were SEK -27.04 (6.19).
- Earnings per share continued operations were SEK -27.04 (1.54).

Significant Events During and After the End of the Quarter

- April 21 Enea announced that the multi-year contract for the 5G Cloud Network Data Layer signed with a leading European telecom operator in June 2020 may be terminated by the customer before final delivery from Enea has taken place.
- July 3 Enea announced that the company is implementing efficiency improvements and cost reductions within professional services and product development. The streamlining means an improved cash flow of approximately SEK 60 million per year, with full effect from 2024, of which approximately SEK 50 million consists of reduced investments in own product development. Furthermore, the company makes a write-down with a total of approximately SEK 520 million attributable to goodwill and capitalized development costs. The workforce will be reduced by approximately 70 employees and restructuring costs in 2023 are estimated to amount to SEK 30 million, of which SEK 20 million will be charged to the second quarter. In addition, provisions are made for doubtful debts and not yet received income of SEK 66 million.
- July 3 Enea announced that Jan Häglund resigns as CEO and that board chairman Anders Lidbeck takes over as acting CEO during the recruitment process for a new CEO. Kjell Duveblad is appointed chairman of the board.
- July 3 Enea announced that the company signed an agreement for traffic management worth 2.0 MUSD with a telecom operator in North Africa. Software licenses corresponding to a value of 1.4 MUSD are recognized as revenue in the third quarter of 2023, while the remaining parts of the contract are delivered in the coming year.
- July 4 Enea announced that board member Jan Frykhammar resigns from the board at his own request with immediate effect.
- July 18 Enea announced the board's decision to start a share buyback program.

Key figures

| | Apr-Jun | | Jan-Jun | | 12 months | |
|----------------------------------------------|---------|-------|---------|-------|-----------|-------|
| | 2023 | 2022 | 2023 | 2022 | R12 | 2022 |
| Total revenue, SEK m | 217.4 | 221.8 | 471.4 | 438.7 | 997.4 | 964.7 |
| Net sales, SEK m | 207.7 | 216.6 | 455.6 | 427.4 | 955.8 | 927.7 |
| Growth, % | -4 | 9 | 7 | 12 | 5 | 7 |
| Growth currency adjusted, % | -10 | 3 | 1 | 6 | 5 | 1 |
| Acquired growth, SEK m | - | 44.0 | - | 77.7 | - | 77.7 |
| Adjusted EBITDA, SEK m | 48.8 | 70.8 | 143.2 | 126.9 | 332.6 | 316.3 |
| Adjusted EBITDA, % | 23.5 | 32.7 | 31.4 | 29.7 | 34.8 | 34.1 |
| EBITDA, SEK m | -35.8 | 70.7 | 58.6 | 103.2 | 247.8 | 292.4 |
| EBITDA, % | -17.2 | 32.7 | 12.9 | 24.2 | 25.9 | 31.5 |
| Operating profit, SEK m | -605.7 | 28.3 | -558.2 | 19.3 | -459.4 | 118.1 |
| Operating margin, % | -291.6 | 13.1 | -122.5 | 4.5 | -48.1 | 12.7 |
| Net profit after tax, SEK m | -620.0 | 46.2 | -584.0 | 33.2 | -508.3 | 109.0 |
| Profit discontinued operations, MSEK | - | 95.1 | - | 99.9 | - | 115.9 |
| Earnings per share, SEK | -28.70 | 6.56 | -27.04 | 6.19 | -22.79 | 10.43 |
| Earnings per share continued operations, SEK | -28.70 | 2.15 | -27.04 | 1.54 | -23.53 | 5.05 |
| Cash flow from operating activities, SEK m | 77.1 | 73.3 | 174.6 | 77.2 | 264.7 | 167.2 |
| EBITDA less capitalized development, SEK m | -57.3 | 35.9 | 6.6 | 40.4 | 129.7 | 163.6 |
| Net debt/EBITDA (12 months) | 0.89 | 1.20 | 0.89 | 1.20 | 0.89 | 1.10 |
| Cash & cash equivalents, SEK m | 291.3 | 218.0 | 291.3 | 218.0 | 291.3 | 231.3 |

CEO's Statement

We want to develop Enea into a leading supplier of software for cybersecurity and telecom. We want to be agile and dynamic, and challenge established competitors with open, innovative, and robust solutions. Customer focus is crucial for us. Our customers should feel they get the best support before, during and after a deal with us. At the same time, we want to create value for our shareholders. The large and important steps we have taken over the past ten years have therefore been made with a parallel focus on high profitability and strong cash flows. In recent years, we have made important acquisitions that significantly strengthened our market position in cybersecurity. The successful sale of our services business last year sharpened our focus on software while strengthening our financial position. But we have also encountered problems that primarily affected our telecom operations, which in turn affected the growth and profitability of the whole company. This has forced us to adjust our short- and medium-term plans, and we saw significant consequences of this in the second quarter of this year.

Major Changes

In the beginning of the second quarter, one of our main telecom customers announced that it did not intend to continue with a project that was significant to us. The announcement came unexpectedly, but it should not be a surprise that new and innovative projects are not always completed. It's part of doing business. Unfortunately, the customer's decision not only affects our future plans, but also burdens the income statement of the second quarter. As a direct consequence, we initiated an audit of our operations in the telecom area to review and possibly adjust the future potential we believe exists in our capitalized investments. Within the scope of this review, it became clear that we also needed to factor in a worsening macroeconomic outlook with increased required rates of return (WACC) in addition to delays in the 5G market and the canceled project. This led to the board, in consultation with our auditors, reassessing future cash flows and additionally recognized assets in this area. The result is a write-down of intangible assets with a total of SEK 520 million, attributable to goodwill and capitalized development costs. In addition, we have made provisions for bad debts and unreceived income of SEK 64 million, attributable to the canceled project and to currency restrictions in Egypt. All of this burdens the second quarter. On July 3, the board also decided that a change in the position of CEO needed to be made. Until a new permanent CEO is recruited, the board appointed its chairman and the company's former CEO, Anders Lidbeck, as the new CEO. The clear mission is to implement the necessary efficiencies, focus on what works and can create results, and restore stability in the company's financial forecasts. Together, we will also develop and start implementing a concrete plan to reach

the company's long-term goals. This mission has already started.

Stable cash flows

None of the above-mentioned items affect the cash flow, which is important to note. The company's cash flows are stable and the effects of the changes we are now implementing will also improve future cash flows. During the second quarter, the operating cash flow was SEK 77 million (73) and the total cash flow after investments and amortization was SEK 20 million (67). Cash at the end of the quarter was SEK 291 million (218) and our net debt was SEK 220 million (359). Based on our strong financial position, the board has decided to initiate a buyback program during the third quarter, within the framework of the mandate given at the annual general meeting in May 2023.

Efficiency Program

Revenue in the second quarter amounted to SEK 208 million (217), which is clearly lower than our plans from the beginning of the year. A large part of this is due to the prematurely canceled project and considering our high gross margins, 76 percent in the second quarter, this also hits our bottom line hard. As a direct consequence of the changes above, we are also reducing the capitalization of our development costs by SEK 13 million compared to the same period last year. This increases our operational cost, which burdens the bottom line. Despite this, our EBITDA margin in the quarter was 24 percent, while EBIT, which was further directly burdened by the canceled project, was only marginally positive.

We have already initiated measures to reduce costs and are well under way to implement efficiencies in terms of product development and services in the telecom area. This means that we close one of our development centers in India and shut down operations that were related to the canceled project. The measures affect 70 employees and external consultants and improve cash flow by approximately SEK 60 million per year, with full effect from 2024, of which approximately SEK 50 million are reduced investments in product development.

Recent years' investments in automation and the centralization of competence to our development center in Croatia create good conditions for this efficiency improvement. In fact, we plan for higher quality and more robust deliveries through these changes. During the past year, we have also strengthened our sales organization. The positive effects of this investment have been slow to come, but the clear intention is that this will pay off in the coming years.

Way Forward

Our investments in cybersecurity developed well in the second quarter. Most mobile operators have not yet invested in modern firewall protection for signaling and messaging, and with increased focus on cybersecurity in many countries, we are seeing positive momentum. Many parts of our telecom portfolio also developed well. The market for 5G core networks is lagging, and only an estimated 20 percent of operators have made major commercial deployments. We are convinced that the market will develop positively and our significant investments in product development in recent years make us very competitive.

We have highly competent employees worldwide and the demands of our market-leading customers mean that we continuously renew and improve our offering.

Our objective for the coming years has not changed. We want to achieve double-digit growth in network solutions, an EBITDA margin over 35 percent and a strong cash flow. In 2023, we also expect a strong cash flow. But after a weak first half of the year and with a difficult economic situation, 2023 will be a challenging year in terms of growth and profit.

Anders Lidbeck
Acting President and Chief Executive Officer



Financial Summary

Profit and loss items include continued operations and are compared to the corresponding period of the previous year. Balance sheet and cash flow items are for the financial position at period end and are compared to the corresponding point of the previous year.

Second Quarter, April - June 2023

Revenue

Total revenue in the quarter amounted to SEK 217.4 million (221.8), consisting of net sales of SEK 207.7 million (216.6) and other operating revenue of SEK 9.7 million (5.2). Other operating revenue includes currency effects of SEK 9.5 million (3.9), SEK 0.2 million (0) electricity support and a SEK million 0 (1.3) R&D Grant for 5G development. Net sales decreased 4 percent compared to the corresponding period of the previous year. Currency adjusted organic growth was -10 percent (-19). Acquired growth amounted to SEK 0 million (44.0).

Enea's offering is divided into two product groups: Network Solutions and Operating Systems.

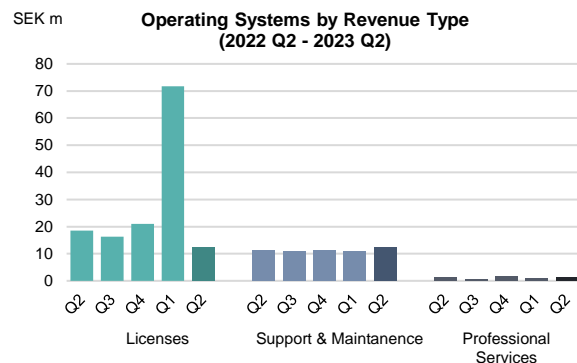
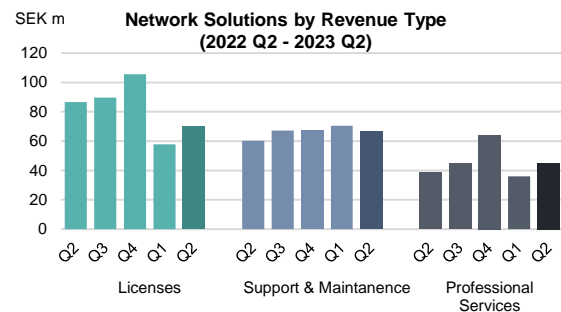
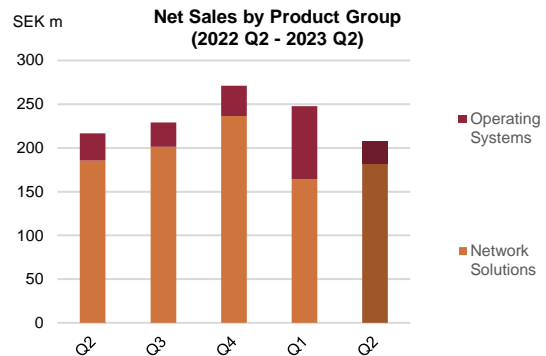
Network Solutions

Sales of the Network Solutions product group amounted to SEK 181.5 million (185.7) and decreased by 2 percent in the quarter, equivalent to a -8 percent currency adjusted organic growth. This product group represented 87 percent (86) of total net sales in the quarter and represents Enea's main revenue stream.

License sales amounted to SEK 69.9 million (86.6). During the corresponding quarter of the previous year, license income corresponding to SEK 29 million attributable to achieved milestones regarding the project for data management for 4G and 5G networks terminated in 2023 was recognized. Support and maintenance sales amounted to SEK 66.4 million (60.2), equivalent to an increase of 10 percent. Sales from professional services amounted to SEK 45.2 million (38.9), an increase of 16 percent.

Operating Systems

Operating Systems sales amounted to SEK 26.2 million (30.9) and was down by 15 percent in the quarter, or by 18 percent currency adjusted. The decrease is mainly driven by lower sales from key accounts, where sales decreased by 34 percent and were 45 percent (57) 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 product group represented 13 percent (14) of net sales in the quarter.



Expenses and Earnings in the quarter

Costs of Goods and Services sold

In the second quarter of 2023, Enea's cost of goods and services sold totalled SEK 62.0 million (47.6), equivalent to a gross margin of 71.5 percent (78.5). Restructuring costs amounted to SEK 9.0 million (0).

Operating Expenses

In the quarter, operating expenses amounted to SEK 761.1 million (145.8). Expenses for share-based incentive programs amounted to SEK -0.1 million (-0.8) for the quarter, with this expense varying with the share price. Depreciation, amortization and write-down of SEK 570.0 million (41.8) were charged to the operating expenses. Costs related to restructuring, write-down and reservations amounted to SEK 598.0 million (0).

Sales and Marketing Expenses

Sales and marketing expenses were SEK 122.9 million (47.7) in the second quarter, or 59.2 percent (22.0) of net sales. Depreciations and amortization of SEK 0.2 million (0.3) were charged to sales and marketing expenses. Accruals for bad debts and not yet received income amounted to SEK 65.7 million (0).

Product Development Expenses

Product development expenses were SEK 610.5 million (70.8) in the second quarter, or 293.9 percent (32.7) of net sales. A lower proportion of product development expenses was capitalized in the quarter, with a value of SEK 21.5 million (34.9). Depreciation, amortization, and write-down of SEK 563.2 million (37.2) were charged to product development expenses, of which amortization of acquisition-related and capitalized development expenses were SEK 147.0 million (35.4) and SEK 415 million (0) write-down of goodwill.

Non-recurring write-downs are explained by delays in the 5G market, deteriorating macroeconomic outlook and increased required return (WACC) and amounted to SEK 522.4 million (0) and restructuring costs amounted to SEK 7.1 million (0).

Product development expenses affecting cash flow, excluding restructuring costs, amounted to SEK 62.9 million (70.3) corresponding to 30.3 percent (32.5), of net sales in the quarter.

Administrative Expenses

Administrative expenses were SEK 27.7 million (27.4), representing 13.4 percent (12.6) of net sales in the quarter. Depreciation and Amortization of SEK 6.2 million (4.2) were charged to administrative expenses. Restructuring costs amounted to SEK 2.8 million (0).

EBITDA

EBITDA was SEK -35.8 million (70.7), representing an EBITDA-margin of -17.2 percent (32.7).

Adjusted for non-recurring items, EBITDA was SEK 48.8 million (70.8) corresponding to an adjusted EBITDA margin of 23.5 percent (32.7).

Operating Profit/Loss

Operating profit/loss was SEK -605.7 million (28.3), equivalent to an operating margin of -291.6 percent (13.1).

Adjusted for non-recurring items, operating profit amounted to SEK 1.3 million (28.4), corresponding to an adjusted operating margin of 0.6 percent (13.1).

Net Financial Income/Expense

Net financial income/expense was SEK -14.9 million (7.9). External interest expenses were SEK -19.0 million (-4.2). Unrealised exchange rate fluctuations on financial assets had an impact of SEK -8.7 million (11.3) in the quarter.

Tax

The tax expense/income in the quarter was SEK 0.6 million (10.0). The effective tax rate is 0 percent (0).

Profit/Loss

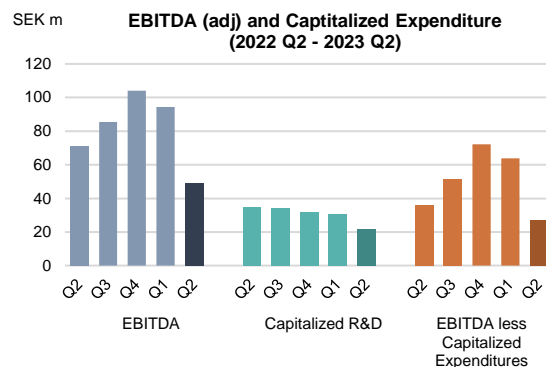
Profit/loss after tax amounted to SEK -620.0 million (46.2) in the quarter. Earnings per share amounted to SEK -28.70 (6.56). Earnings per share for continued operations amounted to SEK -28.70 (2.15).

Cash Flow

The group generated cash flow from operating activities of SEK 77.1 million (73.3) in the quarter. Cash flow from investing activities amounted to SEK -22.5 million (-38.2), of which investments in intangible assets amounted to SEK -21.7 million (-35.8) and purchases of property, plant, and equipment amounted to SEK -1.1 million (-2.9). Cash flow from divestment of business was 0 million (158.8). Cash flow from financing activities was SEK -34.7 million (-126.5). Total cash flow for the quarter amounted to SEK 20.0 million (67.4).

Investments

Investments in the quarter amounted to SEK 22.9 million (38.7). Depreciation, amortization, and impairment was SEK 565.0 million (38.7). Capitalized product development expenses amounted to SEK 21.5 million (34.9), and the related amortization and impairment was SEK 132.4 million (21.3). Depreciation of leased assets was SEK 4.4 million (2.7) for the quarter.



Period, January - June 2023

Revenue

Total revenue in the period amounted to SEK 471.4 million (438.7), consisting of net sales of SEK 455.6 million (427.4) and other operating revenue of SEK 15.8 million (11.3). Other operating revenue includes currency effects of SEK 15.6 million (8.0), SEK 0.2 million (0) electricity support and a SEK 0 million (3.3) R&D Grant for 5G development. Net sales increased by 7 percent on the corresponding period of the previous year. Currency adjusted organic growth was 1 percent (-17). Acquired growth amounted to SEK 0 million (77.7).

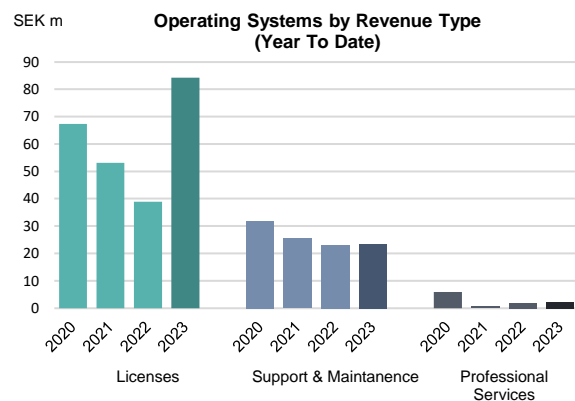
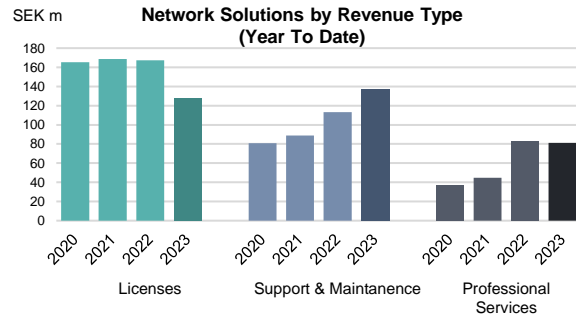
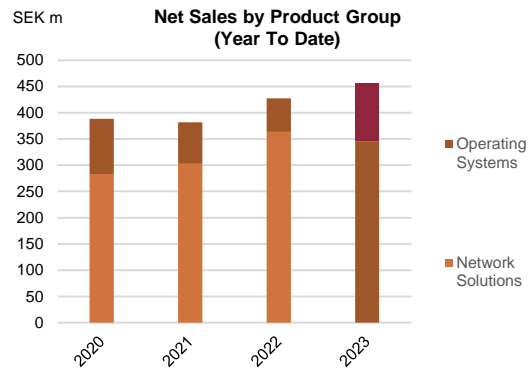
Network Solutions

Sales for the Network Solutions product group amounted to SEK 345.8 million (363.8) and decreased by 5 percent in the period. Currency adjusted organic growth was -11 percent. The decrease is mainly related to variations in license sales between quarters. This product group represented 76 percent (83) of total net sales in the period and represents Enea's main revenue stream.

License sales amounted to SEK 127.7 million (167.4). During the corresponding period of the previous year, license income corresponding to SEK 29 million attributable to achieved milestones regarding the project for data management for 4G and 5G networks terminated in 2023 was recognized. Support and maintenance sales amounted to SEK 137.0 million (113.2), equivalent to an increase of 21 percent. Sales from professional services amounted to SEK 81.2 million (82.8), an decrease of 2 percent.

Operating Systems

Operating Systems sales amounted to SEK 109.8 million (64.0) and increased by 72 percent during the period. The increase is mainly driven by a license revenue from one of the key accounts, where sales increased by 320 percent, and were 59 percent (61) of sales for the product group. The Operating Systems product group represented 24 percent (15) of net sales during the period.



Expenses and Earnings in the period

Costs of Goods and Services Sold

During the period, Enea's cost of goods and services sold totalled SEK 112.7 million (95.5), equivalent to a gross margin of 76.1 percent (78.2).

Restructuring costs amounted to SEK 9.0 million (0.4).

Operating Expenses

Accumulated, operating expenses amounted to SEK 916.9 million (323.8). Expenses for share-based incentive programs amounted to SEK -3.5 million (2.7) for the period, with this expense varying with the share price.

Restructuring costs amounted to SEK 0 million (23.6). Depreciation, amortization, and write-down of SEK 616.3 million (82.9) was charged to the operating expenses.

Costs related to restructuring, write-down and reservations amounted to SEK 598.0 million (23.3).

Sales and Marketing Expenses

Sales and marketing expenses were SEK 183.1 million (109.4) in the period, or 40.2 percent (25.6) of net sales. Restructuring costs amounted to SEK 0 million (11.3). Depreciations and amortization of SEK 0.2 million (0.8) were charged to sales and marketing expenses.

Accruals for bad debts, not yet received income and restructuring costs amounted to SEK 65.7 million (11.3).

Product Development Expenses

Product development expenses were SEK 684.2 million (161.5) in the period, or 150.2 percent (37.8) of net sales. A lower proportion of product development expenses was capitalized in the quarter, with a value of SEK 52.0 million (62.8). Depreciation, amortization, and write-down of SEK 603.8 million (73.6) were charged to product development expenses, of which amortization and write-down of acquisition-related and capitalized development expenses were SEK 186.6 million (69.9) and SEK 415.0 million (0) write-down of goodwill.

Non-recurring write-downs are explained by delays in the 5G market, deteriorating macroeconomic outlook and increased required return (WACC) and amounted to SEK 522.4 million (0) and restructuring costs amounted to SEK 7.1 million (12.0).

Product development expenses affecting cash flow, excluding restructuring costs, amounted to SEK 127.5

million (154.4) corresponding to 28.0 percent (33.3), of net sales in the period.

Administrative Expenses

Administrative expenses were SEK 49.6 million (52.9), representing 10.9 percent (12.4) of net sales in the period. Depreciation and Amortization of SEK 12.3 million (8.6) were charged to administrative expenses.

Restructuring costs amounted to SEK 2.8 million (0).

EBITDA

EBITDA was SEK 58.6 million (103.2), representing an EBITDA-margin of 12.9 percent (24.2).

Adjusted for non-recurring items, EBITDA was SEK 143.2 million (126.9) corresponding to an adjusted EBITDA margin of 31.4 percent (29.7).

Operating Profit/Loss

Operating profit/loss was SEK -558.2 million (19.3), equivalent to an operating margin of -122.5 percent (4.5).

Adjusted for non-recurring items, operating profit amounted to SEK 48.8 million (43.0), corresponding to an adjusted operating margin of 10.7 percent (10.1).

Net Financial Income/Expense

Net financial income/expense was SEK -39.3 million (3.2). External interest expenses were SEK -35.2 million (-7.8). Unrealised exchange rate fluctuations on financial assets had an impact of SEK -26.1 million (10.0) in the period.

Tax

The tax expense/income in the period was SEK 13.5 million (10.7). The effective tax rate is 0 percent (0).

Profit/Loss

Profit/loss after tax amounted to SEK -584.0 million (33.2) in the period. Earnings per share amounted to SEK -27.04 (6.19). Earnings per share for continued operations amounted to SEK -27.04 (1.54).



Period Cash Flow and Financial Position

Cash Flow

The group generated cash flow from operating activities of SEK 174.6 million (77.2) in the period. Cash flow from investing activities amounted to SEK -55.4 million (-68.3), of which investments in intangible assets amounted to SEK -52.2 million (-63.7) and purchases of property, plant, and equipment amounted to SEK -3.7 million (-5.0). Cash flow from divestment of business was SEK 0 million (158.8). Cash flow from financing activities was SEK -75.1 million (-172.8). Cash flow from repurchase of treasury shares was SEK 0 million (-0.3). Total cash flow for the period amounted to SEK 44.2 million (-5.1).

Investments

Investments in the period amounted to SEK 56.0 million (68.7). Depreciation, amortization, and impairment were SEK 607.7 million (76.4). Capitalized product development expenses amounted to SEK 52.0 million (62.8), and the related amortization and impairment were SEK 156.9 million (41.9). Depreciation of leased assets was SEK 15.3 million (7.8) for the period.

Financial Position at the end of the period

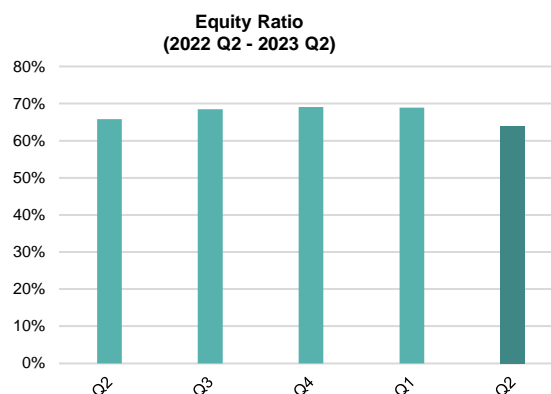
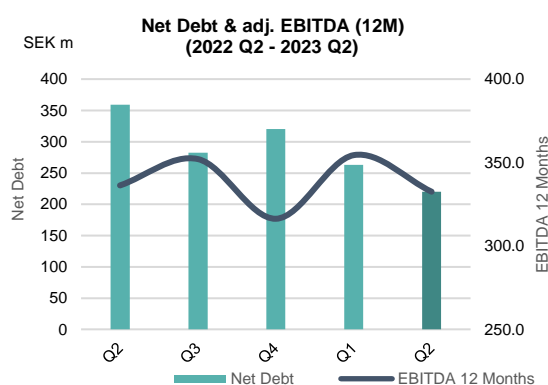
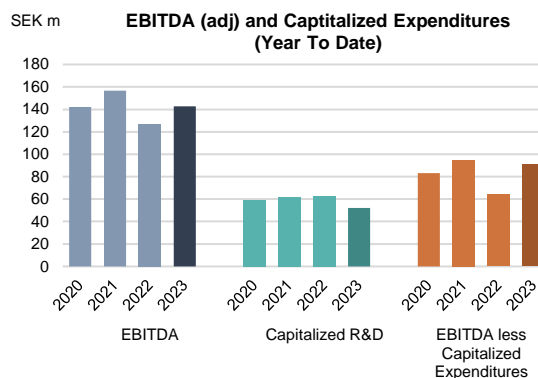
At end of the period, net debt amounted to SEK 220.4 million (359.2), cash and cash equivalents were SEK 291.3 million (218.0), and interest-bearing bank debt amounted to 511.7 million (577.2). Interest-bearing liabilities were divided between non-current liabilities of SEK 511.7 million (577.2), and current liabilities of SEK 0 million (0).

The equity ratio was 64.0 percent (65.9), and total assets amounted to SEK 2,837.2 million (3,213.5) at period end. Net debt/EBITDA (12 months) was 0.89 (1.20).

Financing

Enea has a SEK 70 million overdraft facility, of which SEK 0 million was utilized at the end of the period. In 2022 Enea entered into a three-year facility agreement with a term loan facility of EUR 40 million and a revolving credit facility of SEK 350 million with DnB Bank ASA and Svensk Exportkredit (publ) as lenders. The facilities include customary covenants. The covenants were satisfied as of 30 June 2023. The remaining liability at end of period was SEK 512 million.

Unused credit commitments amounted to a total of SEK 380 million at the end of the period.



Other Disclosures

Parent Company

The parent company's revenue for January to June amounted to SEK 34.2 million (21.2) and loss before appropriations and tax amounted to SEK 2.1 million (-33.4). The parent company's net financial income/expense was SEK 3.6 million (-0.9), and cash and cash equivalents were SEK 58.6 million (36.4) at period end. The parent company's investments in the period were SEK 1.3 million (1.2). The parent company had 18 (19) 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 period, the group had 489 (568) employees.

Share-based incentive programs

Enea has one outstanding long-term incentive program.

LTIP21 was approved by the AGM in 2021 and includes approximately 30 senior executives and key employees. Granting of shares is based on Enea's growth of earnings per share in the financial years 2021-2023. Maximum granting in LTIP21 is 243,000 shares, according to AGM resolution.

The provision for expenses related to the programs amounted to SEK -0.1 million (-0.8) in the quarter and SEK -3.5 million (2.7) in the period. Total provision for outstanding program amounts to SEK 9.1 million.

Repurchase of Treasury Shares

Enea held 255,952 treasury shares at the end of the period, or 1.2 percent of the total number of shares.

The Share and Shareholders

Enea is listed on Nasdaq Stockholm [ENEA]. There is a total of 21,615,231 ordinary shares outstanding and 243,000 class C-shares.

The company's largest shareholders are Per Lindberg with (34.1 percent), Första AP Fonden (7.8 percent), Handelsbanken Fonder (5.8 percent), C WorldWide Asset Management (4.9 percent). The 20 largest shareholders hold a total of 72.0 percent of the capital and 71.7 percent of the votes of the company. No major changes of ownership has taken place in the period.

Annual General Meeting

The AGM was held on May 4th. The AGM resolutions included:

- Anders Lidbeck was re-elected Chairman of the Board
- The Board of Directors was given a mandate to issue up to 10 percent new shares to finance continued growth

More details on the AGM resolutions are available at the company's website.

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. The group does not report any financial instruments at level 1 as of 30 June 2023.

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, in certain cases, 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. The group does not report any financial instruments at level 2 as of 30 June 2023.

Level 3: The group does not report any financial instruments at level 3 as of 30 June 2023.

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

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.

Material Risks and Uncertainties

Enea is mainly active in cybersecurity and telecommunication. Current external uncertainties, such as pandemic, the war in Ukraine and the global economy, affect some customers' risk appetites and willingness to invest. For Enea, this could mean some projects being delayed or aborted. Meanwhile, the underlying drivers of telecommunication, involving a continued focus on virtualization, 5G and increased network capacity, remain.

Enea's business strategy is based on developing new products and refining existing solutions, which means substantial investments. At period-end, capitalized development expenses amounted to SEK 242.2 million

(313.1). Investments target markets with high growth and profitability potential, after thorough analysis. If despite this, products fail to achieve technical or financial success, the company's business and financial position may be negatively affected. This may lead to changes in strategies and priorities.

Since there were no other significant changes to material risks and uncertainties in the quarter, the reader is referred to the review on pages 44-46 of the most recent Annual Report.

Long-term Ambition

Our ambition is to develop Enea into the leading challenger for specialized software in the cybersecurity and telecom market. We are already established with large customers, and we gain new market shares through innovative solutions for the open, cloud-based systems of the future. We compete with large companies by being focused, faster and more agile, and we can attract the best talent. Our goal in the coming years is to generate double-digit growth in Network Solutions, an EBITDA margin over 35 percent, and strong cash flows. Over time, we also aim to make complementary acquisitions to further strengthen our market position.

Kista, Sweden July 18, 2023
Enea AB (publ)

Kjell Duveblad
Chairman of the Board

Mats Lindoff
Board member

Åsa Schwarz
Board member

Charlotta Sund
Board member

Jenny Andersson
Employee representative

Anders Lidbeck
President and CEO

This report has not been examined by the company's Auditors. This document is a translation of the original Swedish interim Report, which was formally approved by the Board of Directors

This is information that Enea AB (publ) is required to publish under the EU market Abuse Regulation. The information was submitted for publication on the authority of Anders Lidbeck on 18 July 2023 at 7:20 a.m.

Consolidated statement of comprehensive income

| SEK m | Apr-Jun | | Jan-Jun | | 12 months | Full year |
|------------------------------------------------------------------------------------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | 2023 | 2022 | 2023 | 2022 | Jul-Jun | 2022 |
| Net sales | 207.7 | 216.6 | 455.6 | 427.4 | 955.8 | 927.7 |
| Other operating revenue | 9.7 | 5.2 | 15.8 | 11.3 | 41.6 | 37.1 |
| Total revenue | 217.4 | 221.8 | 471.4 | 438.7 | 997.4 | 964.7 |
| Cost of goods and service sold | -62.0 | -47.6 | -112.7 | -95.5 | -230.9 | -213.7 |
| Gross profit | 155.4 | 174.2 | 358.7 | 343.2 | 766.6 | 751.1 |
| Sales and marketing costs | -122.9 | -47.7 | -183.1 | -109.4 | -306.0 | -232.3 |
| R&D costs | -610.5 | -70.8 | -684.2 | -161.5 | -821.3 | -298.6 |
| General and administration costs | -27.7 | -27.4 | -49.6 | -52.9 | -98.7 | -102.0 |
| Operating profit 1) 2) 3) 4) | -605.7 | 28.3 | -558.2 | 19.3 | -459.4 | 118.1 |
| Net financial income/expense | -14.9 | 7.9 | -39.3 | 3.2 | -59.6 | -17.2 |
| Profit before tax | -620.5 | 36.2 | -597.5 | 22.5 | -519.0 | 101.0 |
| Tax | 0.6 | 10.0 | 13.5 | 10.7 | 10.7 | 8.0 |
| Profit after tax continued operations | -620.0 | 46.2 | -584.0 | 33.2 | -508.3 | 109.0 |
| Profit discontinued operations | - | 95.1 | - | 99.9 | 16.0 | 115.9 |
| Net profit for the period | -620.0 | 141.3 | -584.0 | 133.1 | -492.3 | 224.8 |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | | | | |
| Change in hedging reserve, after tax | - | -0.7 | 0.3 | -1.2 | 0.3 | -1.2 |
| Exchange rate differences | 102.4 | 163.3 | 111.7 | 200.8 | 190.2 | 279.3 |
| <i>Items that will not be reclassified to profit or loss</i> | | | | | | |
| Pension obligations | 0.6 | - | 0.7 | - | 6.6 | 5.8 |
| Total comprehensive income for the period, net of tax | -517.0 | 303.9 | -471.3 | 332.8 | -295.2 | 508.8 |
| Profit for the period attributable to equity holders of the parent company | -620.0 | 141.3 | -584.0 | 133.1 | -492.3 | 224.8 |
| Comprehensive income for the period attributable to equity holders of the parent company | -517.0 | 303.9 | -471.3 | 332.8 | -295.2 | 508.8 |
| 1) including depreciation and write-down of tangible assets | 3.0 | 3.1 | 6.0 | 6.1 | 12.0 | 12.2 |
| 2) Including amortization and write-down of intangible assets | 562.4 | 35.5 | 602.1 | 70.1 | 678.8 | 146.8 |
| 3) Including amortization of right-to-use assets | 4.5 | 3.8 | 8.7 | 7.8 | 16.3 | 15.3 |
| 4) Non-recurring items included in operating profit | | | | | | |
| Operating profit including non-recurring items | -605.7 | 28.3 | -558.2 | 19.3 | -459.4 | 118.1 |
| Write-down | 522.4 | - | 522.4 | - | 522.4 | - |
| Restructuring costs | 20.1 | 0.0 | 20.1 | 23.7 | 20.3 | 23.9 |
| Reservation for reported but not yet received income | 64.5 | - | 64.5 | - | 64.5 | - |
| Operating profit excluding non-recurring items | 1.3 | 28.4 | 48.8 | 43.0 | 147.9 | 142.1 |

Key figures – income statement

| SEK m | Apr-Jun | | Jan-Jun | | 12 months | Full year |
|-------------------------------------------------------------------|---------|------|---------|-------|-----------|-----------|
| | 2023 | 2022 | 2023 | 2022 | Jul-Jun | 2022 |
| Earnings per share (SEK) | -28.70 | 6.56 | -27.04 | 6.19 | -22.79 | 10.43 |
| Earnings per share after full dilution (SEK) | -28.70 | 6.56 | -27.04 | 6.19 | -22.79 | 10.43 |
| Earnings per share continued operations (SEK) | -28.70 | 2.15 | -27.04 | 1.54 | -23.53 | 5.05 |
| Earnings per share after full dilution continued operations (SEK) | -28.70 | 2.15 | -27.04 | 1.54 | -23.53 | 5.05 |
| Average number of shares before dilution (million) | 21.6 | 21.5 | 21.6 | 21.5 | 21.6 | 21.6 |
| Average number of shares after dilution (million) | 21.6 | 21.5 | 21.6 | 21.5 | 21.6 | 21.6 |
| Net sales growth (%) | -4 | 9 | 7 | 12 | 5 | 7 |
| Gross margin (%) | 71.5 | 78.5 | 76.1 | 78.2 | 76.9 | 77.9 |
| EBITDA (SEK m) | -35.8 | 70.7 | 58.6 | 103.2 | 247.8 | 292.4 |
| Operating costs as % of revenue | | | | | | |
| - Sales and marketing costs | 59.2 | 22.0 | 40.2 | 25.6 | 32.0 | 25.0 |
| - R&D costs | 293.9 | 32.7 | 150.2 | 37.8 | 85.9 | 32.2 |
| - G&A costs | 13.4 | 12.6 | 10.9 | 12.4 | 10.3 | 11.0 |
| Operating margin excl. non-recurring items (%) | 0.6 | 13.1 | 10.7 | 10.1 | 15.5 | 15.3 |
| Operating margin (%) | -291.6 | 13.1 | -122.5 | 4.5 | -48.1 | 12.7 |

Consolidated statement of financial position

| <i>SEK m</i> | 30 Jun 2023 | 30 Jun 2022 | 31 dec 2022 |
|---------------------------------------------|----------------|----------------|----------------|
| ASSETS | | | |
| Intangible assets | 2,028.4 | 2,435.0 | 2,493.7 |
| - goodwill | 1,380.9 | 1,692.3 | 1,737.1 |
| - capitalized development | 242.2 | 313.1 | 338.3 |
| - product rights | 54.2 | 65.4 | 59.6 |
| - customer contracts | 278.9 | 304.9 | 290.7 |
| - trademarks | 30.2 | 28.6 | 29.2 |
| - right-to-use assets | 40.4 | 29.6 | 37.1 |
| - other intangible assets | 1.7 | 1.1 | 1.7 |
| Inventories, tools and installations | 20.8 | 24.5 | 21.5 |
| Deferred tax assets | 23.5 | 14.6 | 22.4 |
| Other fixed assets | 3.1 | 3.4 | 3.6 |
| Total fixed assets | 2,075.8 | 2,477.5 | 2,541.2 |
| Current receivables | 470.2 | 518.0 | 545.4 |
| Cash and cash equivalents | 291.3 | 218.0 | 231.3 |
| Total current assets | 761.4 | 736.1 | 776.7 |
| Total assets | 2,837.2 | 3,213.5 | 3,318.0 |
| EQUITY and LIABILITIES | | | |
| Equity | 1,817.2 | 2,116.1 | 2,291.2 |
| Provisions | 2.2 | 2.7 | 4.5 |
| Long-term liabilities | | | |
| Deferred tax liabilities | 96.7 | 124.6 | 116.3 |
| Long-term liabilities, interest-bearing | 511.7 | 577.2 | 545.1 |
| Long-term liabilities, non-interest-bearing | 18.0 | 21.9 | 17.0 |
| Long-term liabilities, leasing | 25.3 | 16.5 | 23.4 |
| Total long-term liabilities | 651.7 | 740.2 | 701.8 |
| Current liabilities | | | |
| Current liabilities, interest-bearing | - | - | 6.6 |
| Current liabilities, non-interest-bearing | 351.3 | 340.7 | 299.2 |
| Current liabilities, leasing | 14.7 | 13.8 | 14.5 |
| Total current liabilities | 366.1 | 354.5 | 320.4 |
| Total equity and liabilities | 2,837.2 | 3,213.5 | 3,318.0 |

Consolidated statement of changes in equity

| <i>SEK m</i> | 30 Jun 2023 | 30 Jun 2022 | 31 dec 2022 |
|-------------------------------------------|----------------|----------------|----------------|
| At beginning of period | 2,291.2 | 1,776.0 | 1,776.0 |
| Total comprehensive income for the period | -471.3 | 332.8 | 508.8 |
| New share issue | - | 0.3 | 0.3 |
| Share saving program | -2.7 | 7.4 | 6.3 |
| Repurchasing of own shares | - | -0.3 | -0.3 |
| At end of period | 1,817.2 | 2,116.2 | 2,291.2 |

Consolidated statement of cash flow

| <i>SEK m</i> | Apr-Jun | | Jan-Jun | | Full year |
|----------------------------------------------------------------------|---------|--------|---------|--------|-----------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| Profit before tax | -620.5 | 29.8 | -597.5 | 21.4 | 218.0 |
| Adjustment for non-cash items | 589.0 | 46.6 | 638.4 | 95.2 | 69.7 |
| Tax paid/received | -1.3 | 3.0 | -4.3 | 2.0 | -7.3 |
| Operating cash flow before changes in working capital | -32.8 | 79.4 | 36.7 | 118.7 | 280.4 |
| Cash flow from changes in working capital | 109.9 | -6.1 | 138.0 | -41.5 | -113.2 |
| Cash flow from operating activities | 77.1 | 73.3 | 174.6 | 77.2 | 167.2 |
| Cash flow from investing activities | -22.5 | -38.2 | -55.4 | -68.3 | -138.8 |
| Cash flow from divestment of operations, net | - | 158.8 | - | 158.8 | 173.2 |
| Cash flow from financing activities, raising of loans | - | 100.2 | 0.2 | 104.9 | 82.8 |
| Cash flow from financing activities, amortization of loans | -30.3 | -222.4 | -66.8 | -268.8 | -272.3 |
| Cash flow from financing activities, amortization of lease liability | -4.4 | -4.3 | -8.5 | -8.9 | -16.4 |
| Cash flow from financing activities, repurchase of shares | - | - | - | - | -0.3 |
| Cash flow for the period | 20.0 | 67.4 | 44.2 | -5.1 | -4.2 |
| Cash and cash equivalents at the beginning of period | 258.1 | 142.5 | 231.3 | 211.4 | 211.4 |
| Exchange rate difference in cash and cash equivalents | 13.2 | 8.1 | 15.8 | 11.7 | 24.1 |
| Cash and cash equivalents at the end of period | 291.3 | 218.0 | 291.3 | 218.0 | 231.3 |

Key figures – balance sheet and cash flow statement

| <i>SEK m</i> | Jan-Jun | | 12 months | Full year |
|-----------------------------------------------------|---------|-------|-----------|-----------|
| | 2023 | 2022 | Jul-Jun | 2022 |
| Cash and cash equivalents (SEK m) | 291.3 | 218.0 | 291.3 | 231.3 |
| Equity ratio (%) | 64.0 | 65.9 | 64.0 | 69.1 |
| Equity per share (SEK) | 84.1 | 98.0 | 84.1 | 106.1 |
| Cash flow from operating activities per share (SEK) | 8.1 | 3.6 | 12.3 | 7.8 |
| Net debt (SEK m) | 220.4 | 359.2 | 220.4 | 320.5 |
| Number of employees at end of period | 489 | 568 | 489 | 543 |
| Return on equity (%) | | | -25.0 | 11.1 |
| Return on capital employed (%) | | | -6.4 | 14.7 |
| Return on assets (%) | | | -5.4 | 12.6 |

Parent company

Income statement

| <i>SEK m</i> | Jan-Jun | | Full year |
|--------------------------------------|------------|--------------|-------------|
| | 2023 | 2022 | 2022 |
| Revenue | 34.2 | 21.2 | 42.2 |
| Operating costs | -35.7 | -53.7 | -99.4 |
| Operating profit | -1.5 | -32.4 | -57.1 |
| Financial net | 3.6 | -0.9 | -4.7 |
| Profit/loss after financial net | 2.1 | -33.4 | -61.8 |
| Appropriations | - | - | 55.9 |
| Profit/loss before tax | 2.1 | -33.4 | -5.9 |
| Tax | -0.2 | 6.7 | - |
| Net profit/loss for the perio | 1.9 | -26.6 | -5.9 |

Balance sheet

| <i>SEK m</i> | 30 Jun | | 31 Dec |
|-----------------------------------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2022 |
| ASSETS | | | |
| Fixed assets | 214.4 | 213.3 | 214.0 |
| Current assets | 1,303.5 | 1,242.5 | 1,244.6 |
| Total assets | 1,517.8 | 1,455.9 | 1,458.6 |
| EQUITY AND LIABILITIES | | | |
| Equity | 832.2 | 813.1 | 833.0 |
| Untaxed reserves | 0.9 | 2.7 | 0.9 |
| Long-term liabilities, interest-bearing | 510.2 | 574.9 | 543.2 |
| Current liabilities, other | 174.5 | 65.1 | 81.5 |
| Total equity and liabilities | 1,517.8 | 1,455.9 | 1,458.6 |

Quarterly data

| SEK m | 2023 | | 2022 | | | 2021 | | | | |
|--------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| INCOME STATEMENT | | | | | | | | | | |
| Net sales | 207.7 | 247.9 | 271.0 | 229.3 | 216.6 | 210.8 | 252.3 | 229.5 | 198.0 | 183.5 |
| Other operating revenue | 9.7 | 6.1 | 2.1 | 23.6 | 5.2 | 6.1 | 14.1 | 2.3 | 5.3 | 2.6 |
| Cost of goods and services sold | -62.0 | -50.7 | -64.5 | -53.6 | -47.6 | -47.9 | -48.6 | -40.4 | -28.1 | -25.4 |
| Gross profit | 155.4 | 203.3 | 208.6 | 199.3 | 174.2 | 169.0 | 217.8 | 191.4 | 175.1 | 160.6 |
| Sales and marketing costs | -122.9 | -60.2 | -61.5 | -61.4 | -47.7 | -61.8 | -45.1 | -46.4 | -39.8 | -42.7 |
| R&D costs | -610.5 | -73.7 | -67.2 | -69.9 | -70.8 | -90.8 | -92.8 | -64.9 | -54.7 | -53.8 |
| General and administration costs | -27.7 | -21.8 | -22.1 | -27.0 | -27.4 | -25.5 | -22.3 | -37.2 | -23.0 | -24.4 |
| Operating profit | -605.7 | 47.4 | 57.8 | 41.0 | 28.3 | -9.0 | 57.5 | 42.9 | 57.7 | 39.7 |
| Net financial income/expense | -14.9 | -24.4 | -34.8 | 14.4 | 7.9 | -4.7 | -4.5 | 8.8 | -3.5 | 3.8 |
| Profit before tax | -620.5 | 23.1 | 23.0 | 55.4 | 36.2 | -13.7 | 53.0 | 51.8 | 54.2 | 43.5 |
| Tax | 0.6 | -12.9 | 16.1 | -18.8 | 10.0 | 0.7 | -0.6 | -6.2 | -5.8 | -4.5 |
| Profit after tax | -620.0 | 10.2 | 39.2 | 36.6 | 46.2 | -13.0 | 52.5 | 45.6 | 48.4 | 39.0 |
| Result from discontinued operations | - | - | 0.2 | 15.8 | 95.1 | 4.8 | 2.1 | 4.6 | 3.6 | 4.5 |
| Net profit for the period | -620.0 | 10.2 | 39.3 | 52.4 | 141.3 | -8.2 | 54.5 | 50.2 | 52.0 | 43.6 |
| Other comprehensive income | 103.0 | 9.8 | -50.5 | 134.8 | 162.6 | 37.0 | 37.9 | 27.7 | -30.2 | 71.3 |
| Total comprehensive income | -517.0 | 19.9 | -11.1 | 187.2 | 303.9 | 28.9 | 92.4 | 77.9 | 21.8 | 114.9 |
| BALANCE SHEET | | | | | | | | | | |
| Intangible assets | 2,028.4 | 2,491.9 | 2,493.7 | 2,546.2 | 2,435.0 | 2,338.9 | 2,313.4 | 2,305.5 | 1,777.6 | 1,801.9 |
| Other fixed assets | 44.3 | 43.3 | 43.9 | 34.9 | 39.1 | 44.6 | 50.3 | 36.3 | 35.5 | 39.1 |
| Other financial fixed assets | 3.1 | 3.4 | 3.6 | 4.1 | 3.4 | 4.3 | 4.3 | 5.0 | 5.1 | 5.0 |
| Current receivables | 470.2 | 551.1 | 545.4 | 509.3 | 518.0 | 505.4 | 454.0 | 461.0 | 353.0 | 379.5 |
| Cash and cash equivalents | 291.3 | 258.1 | 231.3 | 264.0 | 218.0 | 142.5 | 211.4 | 176.4 | 250.5 | 236.9 |
| Total assets | 2,837.2 | 3,347.9 | 3,318.0 | 3,358.5 | 3,213.5 | 3,035.8 | 3,033.3 | 2,984.1 | 2,421.7 | 2,462.5 |
| Shareholders' equity | 1,817.2 | 2,308.0 | 2,291.2 | 2,301.8 | 2,116.1 | 1,809.4 | 1,776.0 | 1,699.4 | 1,629.2 | 1,606.0 |
| Long-term liabilities, interest-bearing | 537.0 | 547.7 | 568.6 | 563.1 | 593.7 | 495.2 | 491.2 | 592.1 | 181.2 | 315.5 |
| bearing | 117.0 | 137.7 | 137.8 | 155.2 | 149.2 | 150.8 | 147.9 | 146.6 | 116.2 | 116.1 |
| Current liabilities, interest-bearing | 14.7 | 15.7 | 21.1 | 10.9 | 13.8 | 238.7 | 285.8 | 240.2 | 247.3 | 163.0 |
| bearing | 351.3 | 338.8 | 299.2 | 327.5 | 340.7 | 341.6 | 332.4 | 305.9 | 247.7 | 262.0 |
| Total equity and liabilities | 2,837.2 | 3,347.9 | 3,318.0 | 3,358.5 | 3,213.5 | 3,035.8 | 3,033.3 | 2,984.1 | 2,421.7 | 2,462.5 |
| CASH FLOW | | | | | | | | | | |
| Cash flow from operating activities | 77.1 | 97.5 | -2.1 | 92.1 | 73.3 | 3.9 | 142.4 | 28.3 | 94.3 | 68.8 |
| Cash flow from investing activities | -22.5 | -32.9 | -34.2 | -36.4 | -38.2 | -30.1 | -38.3 | -34.8 | -33.1 | -32.3 |
| Cash flow from financing activities | -34.7 | -40.4 | 1.4 | -34.5 | -126.4 | -46.3 | -73.5 | 310.2 | -44.6 | -0.5 |
| Cash flow for the period | 20.0 | 24.2 | -34.9 | 21.2 | -91.3 | -72.5 | 30.6 | 303.7 | 16.6 | 36.0 |
| Cash flow for the period, from acquisition/divestment of operation | - | - | -0.1 | 14.6 | 158.8 | 0.0 | -0.0 | -379.3 | - | - |
| Total cash flow for the period | 20.0 | 24.2 | -35.0 | 35.9 | 67.4 | -72.5 | 30.6 | -75.7 | 16.6 | 36.0 |

Five-year overview

| SEK m | 2022 | 2021 | 2020 | 2019 | 2018 |
|--------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| INCOME STATEMENT | | | | | |
| Net Sales | 927.7 | 863.2 | 780.6 | 846.2 | 679.3 |
| Other operating revenue | 37.1 | 24.3 | 13.7 | 17.1 | 17.5 |
| Operating expenses | -846.6 | -689.7 | -620.9 | -615.4 | -510.5 |
| Operating profit | 118.1 | 197.8 | 173.4 | 247.9 | 186.3 |
| Net financial income/expense | -17.2 | 4.7 | -24.1 | -52.0 | -28.1 |
| Profit before tax | 101.0 | 202.5 | 149.4 | 195.9 | 158.2 |
| Tax | 8.0 | -17.0 | -19.5 | -31.0 | -18.0 |
| Profit after tax continued operations | 109.0 | 185.5 | 129.8 | 164.9 | 140.2 |
| Profit discontinued operations | 115.9 | 14.8 | 12.5 | 4.8 | 1.4 |
| Net profit for the period | 224.8 | 200.3 | 142.3 | 169.7 | 141.7 |
| BALANCE SHEET | | | | | |
| Intangible assets | 2,493.7 | 2,314.4 | 1,734.5 | 1,672.3 | 1,381.4 |
| Other fixed assets | 43.9 | 49.3 | 40.7 | 27.6 | 33.7 |
| Other financial fixed assets | 3.6 | 4.3 | 6.1 | 3.4 | 3.1 |
| Current receivables | 545.4 | 454.0 | 357.5 | 364.3 | 426.8 |
| Cash and cash equivalents | 231.3 | 211.4 | 195.1 | 146.1 | 74.7 |
| Total assets | 3,318.0 | 3,033.3 | 2,334.0 | 2,213.8 | 1,919.7 |
| Shareholders' equity | 2,291.2 | 1,776.0 | 1,487.5 | 1,481.3 | 985.8 |
| Long-term liabilities, interest-bearing | 545.1 | 469.8 | 291.7 | 263.0 | 539.8 |
| Long-term liabilities, non-interest-bearing | 161.3 | 169.3 | 141.0 | 119.6 | 86.8 |
| Current liabilities, interest-bearing | 6.6 | 268.8 | 142.2 | 99.1 | 94.3 |
| Current liabilities, non-interest-bearing | 313.8 | 349.3 | 271.7 | 250.8 | 212.9 |
| Total equity and liabilities | 3,318.0 | 3,033.3 | 2,334.0 | 2,213.8 | 1,919.7 |
| CASH FLOW | | | | | |
| Cash flow from operating activities | 167.2 | 333.7 | 274.2 | 245.2 | 168.6 |
| Cash flow from investing activities | -138.8 | -138.4 | -130.9 | -90.9 | 30.5 |
| Cash flow from investing activities-divestment of operation | 173.2 | - | - | - | - |
| Cash flow from investing activities-acquisition of operation | - | -379.4 | -90.5 | -47.1 | -954.4 |
| Cash flow from financing activities | -205.9 | 191.5 | 8.9 | -35.9 | 514.2 |
| Cash flow for the period | -4.2 | 7.5 | 61.6 | 71.2 | -241.1 |
| KEY FIGURES | | | | | |
| Net sales growth, % | 7 | 11 | -8 | 25 | 50 |
| Operating margin, % | 12.7 | 22.9 | 22.2 | 29.3 | 27.4 |
| Profit margin, % | 10.9 | 23.5 | 19.1 | 23.1 | 23.3 |
| Return on capital employed, % | 11.1 | 13.2 | 10.4 | 15.2 | 16.7 |
| Return on equity, % | 14.7 | 12.3 | 9.6 | 13.8 | 16.3 |
| Return on total capital, % | 12.6 | 11.1 | 8.8 | 12.9 | 13.6 |
| Interest coverage ration, multiple | 1.3 | 3.1 | 3.9 | 3.8 | 4.0 |
| Equity ratio, % | 69.1 | 58.6 | 63.7 | 66.9 | 51.4 |
| Liquidity, % | 242.4 | 107.6 | 133.5 | 145.9 | 163.2 |
| EBITDA | 292.4 | 352.6 | 275.4 | 328.5 | 225.5 |
| Net debt/EBITDA | 1.10 | 1.50 | 0.87 | 0.66 | 2.48 |
| Average number of employees | 619 | 504 | 403 | 389 | 298 |
| Net sales per employee, SEK m | 1.5 | 1.7 | 1.9 | 2.2 | 2.3 |
| Net asset value per share, SEK | 106.06 | 82.21 | 69.09 | 69.54 | 50.99 |
| Earnings per share, SEK | 10.43 | 9.30 | 6.63 | 8.47 | 7.33 |
| Earnings per share continued operations, SEK | 5.05 | 8.61 | 6.05 | 8.23 | 7.25 |

Financial definitions

Acquired growth

Revenues in the period from acquired entities that were not included the corresponding period last year.

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 interest, taxes, depreciation, and amortization)
Earnings before financial items plus depreciation.

Adjusted EBITDA

EBITDA adjusted for non-recurring items.

EBITDA less capitalized development costs

EBITDA minus capitalized development expenses in the period.

Equity per share

Equity in relation to the total number of shares outstanding.

Interest coverage ratio

Profit after financial items plus financial expenses in relation to financial costs.

Liquidity

Cash and cash equivalents, including current investments and receivables, in relation to current liabilities after financial items.

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 non-contingent acquisition related liabilities less cash and cash equivalents and financial investments, i.e. negative net cash.

Net sales growth

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, non-recurring write-downs, 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

Operating profit plus financial income related to average capital employed.

Return on total capital

Profit after financial items plus financial costs in relation to average total assets.

Alternative performance measures

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.

| | Apr-Jun | | Jan-Jun | | Full year |
|-----------------------------------------------------------------------------|---------|-------|---------|-------|-----------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| 1. Reconciliation of net sales growth | | | | | |
| Net sales, SEK million | 207.7 | 216.6 | 455.6 | 427.4 | 927.7 |
| Net sales growth, SEK million | -8.9 | 18.6 | 28.2 | 45.9 | 64.5 |
| Net sales growth, % | -4 | 9 | 7 | 12 | 7 |
| Currency effect, unchanged exchange rates compared to previous year, SEK m | 12.3 | 13.6 | 21.8 | 23.2 | 59.9 |
| Currency effect, unchanged exchange rates compared to previous year, % | 6 | 7 | 5 | 6 | 7 |
| Net sales growth, unchanged exchange rates compared to previous year, SEK m | -21.2 | 5.0 | 6.4 | 22.8 | 4.6 |
| Net sales growth, unchanged exchange rates compared to previous year, % | -10 | 3 | 1 | 6 | 1 |

| | Apr-Jun | | Jan-Jun | | Full year |
|------------------------------------------------------|---------|-------|---------|--------|-----------|
| | 2023 | 2022 | 2023 | 2022 | 2022 |
| 2. Reconciliation of financial income/expense | | | | | |
| Financial income, SEK million | 65.3 | 59.3 | 137.9 | 124.2 | 282.0 |
| Financial expense, SEK million | -80.2 | -51.4 | -177.1 | -121.0 | -299.1 |
| Reported financial income/expense | -14.9 | 7.9 | -39.3 | 3.2 | -17.2 |

About Enea

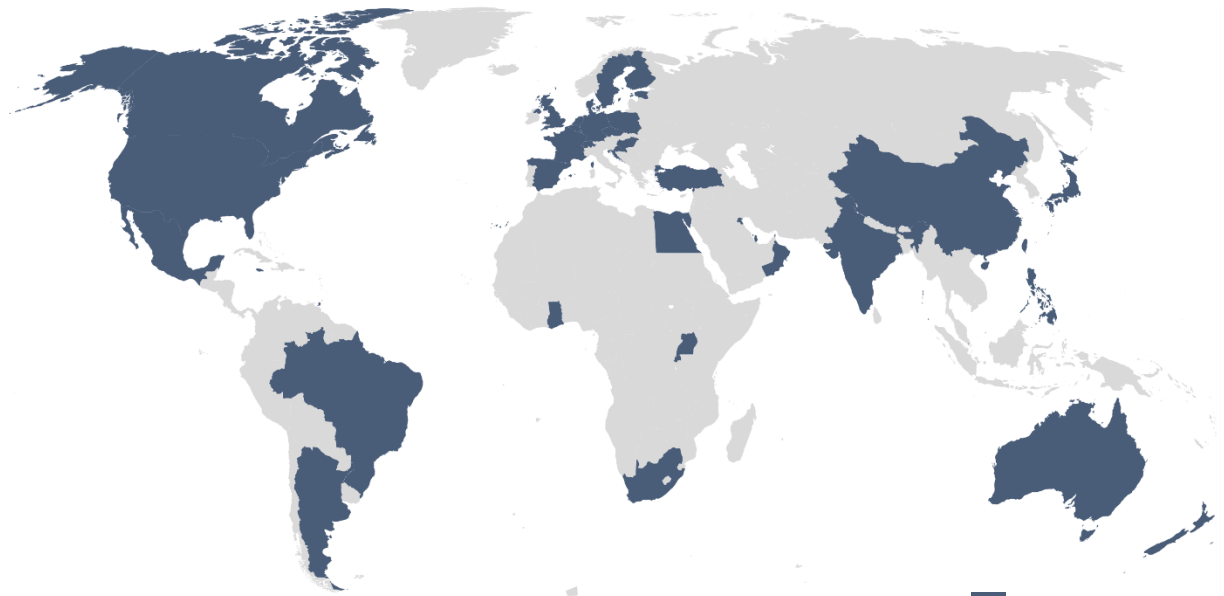
Enea is one of the world's leading providers of software products for telecommunication and cybersecurity. These products, which are created for cloud-native platforms, support and protect services across enterprise networks, mobile systems (4G and 5G), as well as Wi-Fi networks. Over four and a half billion people rely on Enea's technology every day when using their mobile phones or connecting to the Internet.

Enea has development centers and sales offices in Europe, North America, and Asia. A high share of revenue is sourced from the Network Solutions product area, which includes mobile and fixed line communication, as well as enterprise networks, and the software Enea delivers enables a raft of critical functions. For example, mobile operators can enhance network security, ensure consistent high quality of different types of service, and process large data volumes efficiently. These products and solutions are sold directly to network operators and can also integrate into solutions from system vendors.

Being selective and focusing on market segments with good profitability and growth potential is an important component of Enea's strategy. Investments target those sectors where Enea has the greatest potential to evolve from disrupter to market leader. Cybersecurity and traffic management for mobile networks, and classification of network traffic are three segments where Enea has achieved world leadership.

Enea is listed on Nasdaq Stockholm [Enea], and its head office is located in Stockholm.

Enea Worldwide



Markets with revenue above SEK 1 million

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Financial calendar

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Financial information is also available on Enas website www.enea.com