Annual Report 2023

ENEA

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30. SUSTAINABILITY REPORT

60. FINANCIAL REPORT

04.

ENEA IN BRIEF

Headquarters:
Stockholm, Sweden
Founded: **1968, Sweden**
Workforce: **463**
Stock exchange:
NASDAQ Stockholm

913	34	25
SEK Million Sales	percent EBITDA margin	percent Research and Development

ABOUT ENEA

Our vision is simple, namely to make the world's communication safer and more efficient.

We develop, sell and deliver innovative and reliable solutions that improve the security, performance and intelligence of communications. We offer firewalls to protect mobile networks against cyber attacks, products for classifying traffic, for optimizing video traffic as well as products that protect and carrier Wi-Fi networks. Our customers are more than 100 suppliers of communication services and products worldwide. This means that roughly 4.5 billion people worldwide rely on our technology every day, when they connect to mobile networks or use the internet.

Enea was founded in 1968 in Sweden and has a long experience of technical innovation and development, something that is of great importance to the company even today. Among other things, Enea was involved in sending Sweden's first email and was involved in developing the first mobile version of HTML. The product portfolio and global market position have been strengthened in recent years through a number of acquisitions. Enea is currently present in over 20 markets worldwide and has its headquarters in Kista, Stockholm, Sweden. The company has more than 30 nationalities among its 463 employees, with the largest Enea offices in Sweden, Ireland, United Kingdom, France and Croatia. Enea is listed on NASDAQ Stockholm.

Enea's vision is to make the world's communication safer and more efficient.

Region	Country	City	Product development	Sales support
Africa	South Africa	Johannesburg		●
Europe	France	Paris	●	●
"	Ireland	Dublin	●	●
"	Croatia	Osijek	●	
"	Romania	Bucharest	●	●
"	Spain	Madrid	●	
"	United Kingdom	Belfast	●	●
"	Sweden	Stockholm	●	
"	Czech	Wien		●
"	Republic	Brno		
"	Germany	Berlin		
"	Austria	Vienna		

Region	Country	City	Product development	Sales support
Middle East	United Arab Emirates	Dubai		●
North America	Canada	Toronto		●
"	USA	Dallas		●
"	USA	Redwood city		●
"	USA	Washington DC		●
Northeast Asia	Japan	Tokyo		●
Southeast Asia	India	Hyderabad	●	
"	India	Pune	●	
"	Malaysia	Kuala Lumpur		●
"	Singapore	Singapore		

06.

A WORD FROM THE CEO

"During the year, threats to cybersecurity have escalated from already high levels globally, and with it a strong increase in public awareness and action by regulatory authorities worldwide. Enea has both the products and the expertise to address these challenges.

DEAR SHAREHOLDERS

We have a turbulent year behind us. 2023 was another year of war in our surrounding world and a stressful economic climate. Even for Enea, 2023 was troublesome. At the beginning of the second quarter, one of our major telecom customers announced that it intended to cancel a project that was important to us. The announcement came unexpectedly and immediately burdened our income statement but also our plans and we needed to review our operations in the telecom business. Within the framework of this review, it became clear that we also needed to consider deteriorating macroeconomic prospects with increased required rates of return (WACC), delays in the 5G market and consequences of the canceled project. In connection with this, the board also decided that a change in the position of CEO needed to be made and I re-entered as acting CEO of Enea.

GREAT CUSTOMERS AND EMPLOYEES

What immediately greeted me were some of the world's most successful companies. Companies that have chosen to buy Enea's products and services because they are the best on the market. Our customers! I also got to meet again on a daily basis our fantastic employees who develop these products and who take care of our customer relations. Always ready to do their best so that our customers get the most effect from their investments and always ready to represent Enea in the best possible way. It is truly a privilege to work with all the talent and innovation power gathered in these relationships. Together, we want to develop Enea into a leading supplier of software for cybersecurity and telecoms.

ENEA IN THE CENTER OF THE EVENTS

During the year, threats to cybersecurity have escalated from already high levels globally, and with it a strong increase in public awareness and action by regulatory authorities worldwide. Enea has both products and competence to address these challenges address these challenges with. To guide authorities and telecom operators on why and how to improve communication security and safety, we have written a handbook "Why signaling security will make or break network re-silience", and published a guide on how to use traffic management for parental controls and child protection, and practical insights into proactive network protection, based on an in-depth analysis of the "hybrid warfare" observed in the Ukraine conflict. The last few years have been challenging to say the least for many of our customers, and if you add the rollout of 5G and the rapid development of AI, the future becomes even more challenging and at the same time even more exciting.

”It really is a privilege to work with all of the talent and innovation power that is collected in these relationships."

AI ACCELERATES THE MARKET

Cyber attacks based on so-called phishing, social engineering, or malware will become even more dangerous with the increasing use of artificial intelligence. It also applies to identity fraud, data breaches and distributed denial-of-service attacks. In October 2023, we launched a significant research study on the opportunities and implications of AI in cybersecurity. The study and related industry seminars showed significant concern about the use of AI in offensive technologies, and that a majority of the cybersecurity industry intends to increase investment in AI for defensive technologies, where Enea's software plays an important role for software vendors and providers of communication services. We continue to invest in this area and in 2023 developed a ground-breaking AI-powered solution for A2P (Application to Person) messaging. This enables our CPaaS (Communications Platform

as a Service) customers to optimize their billing based on message category, and enables additional compliance with certain national regulations.

POWER OF INNOVATION

In order to strengthen our market position within DPI solutions (Deep Packet Inspection) for fixed and mobile network operators, during the year we also developed new functions within our platform for traffic management. In particular, we have expanded our DPI capabilities in the areas of monetization, revenue leakage protection and fraud prevention. This will open up new and significant business opportunities.

”We want to be agile, dynamic, and challenging established competitors with open, innovative and robust solutions. Customer focus and innovation power is crucial for us.”

The foundation of this feature is our own world-leading embedded DPI technology. Based on this, we have also developed another new cyber-security offering, the Enea Qosmos Threat Detection SDK. It is a software development package that paves the way for new approaches to prevent data breaches. The offering will enable us to target new market segments with the potential for new revenue as well as further strengthen our position in cybersecurity. Already at the end of 2023, we started to see positive effects of these product innovations and we will continue to invest strongly in our product development in 2024.

GOOD EARNING CAPACITY WITH STRONG CASH FLOWS

We basically have a business model with high scalability and good earning capacity. In 2023, we had a gross margin of 77 percent and an EBITDA margin of 34 (35) percent, which also shows that our long-term goal of an EBITDA margin of over 35 percent on a full-year basis is well within reach. It should also be noted that this has been done despite the fact that in 2023 we have capitalized SEK 41 million less than we did in 2022. If you adjust for this, our EBITDA result is actually stronger than in 2022. This despite slightly lower revenues, which shows both good earning power and well-implemented efficiency measures. The recent years' investments in automation and the centralization of competence to our development center in Croatia have created good conditions for this streamlining. In fact, we now have higher quality and more robust deliveries than before. During the fourth quarter of 2023, we also carried out further efficiencies and the cost base when we enter 2024 is approximately SEK 60 million lower than twelve months ago. This is despite the cost increases that result from the prevailing inflationary situation.

During 2023, we had an operating cash flow of SEK 263 million. Our cash at the end of the year was SEK 262 million and our net debt SEK 209 million. In other words, we have been able to implement operational efficiencies, a buyback program of our own shares and at the same time strengthen our financial position compared to the start of the year.

THE WAY FORWARD

We want to be agile, dynamic, and challenge established competitors with open, innovative and robust solutions. Customer focus and innovation are crucial for us. Our customers should feel that they get the best support before, during and after a deal with us. We have a strong market position within exciting areas that affect many people's everyday lives in several ways. Our product portfolio is well positioned in a world where video traffic and increased demand for security solutions drive mobile development. We also have a global organization with very competent employees and, at least as important, many successful customers who constantly challenge and develop us. In combination with our earning capacity and our strong cash flows, this makes us optimistic about the future.

We also want to create value for our many shareholders and be a self-evident choice for those who want to invest in exciting, world-leading technology with proven cash flows. For a period, the macroeconomic climate has had a dampening effect on the demand for our products, and it is too early today to comment on a possible improved willingness to invest among our customers in 2024. But our long-term goal remains unchanged. We want to achieve double-digit growth in our focus areas and an EBITDA margin above 35 percent with strong cash flows.

"...an obvious choice for those who want to invest in exciting, world-leading technology with proven cash flows."

I would like to conclude by thanking all our shareholders for your trust. 2023 has been a particularly trying year and your trust means a lot to us - thank you!

Anders Lidbeck
Acting President and CEO

08.

BUSINESS CONCEPT AND STRATEGY

Enea's vision is to make the world's communication safer and more efficient.

Software for telecom and cybersecurity

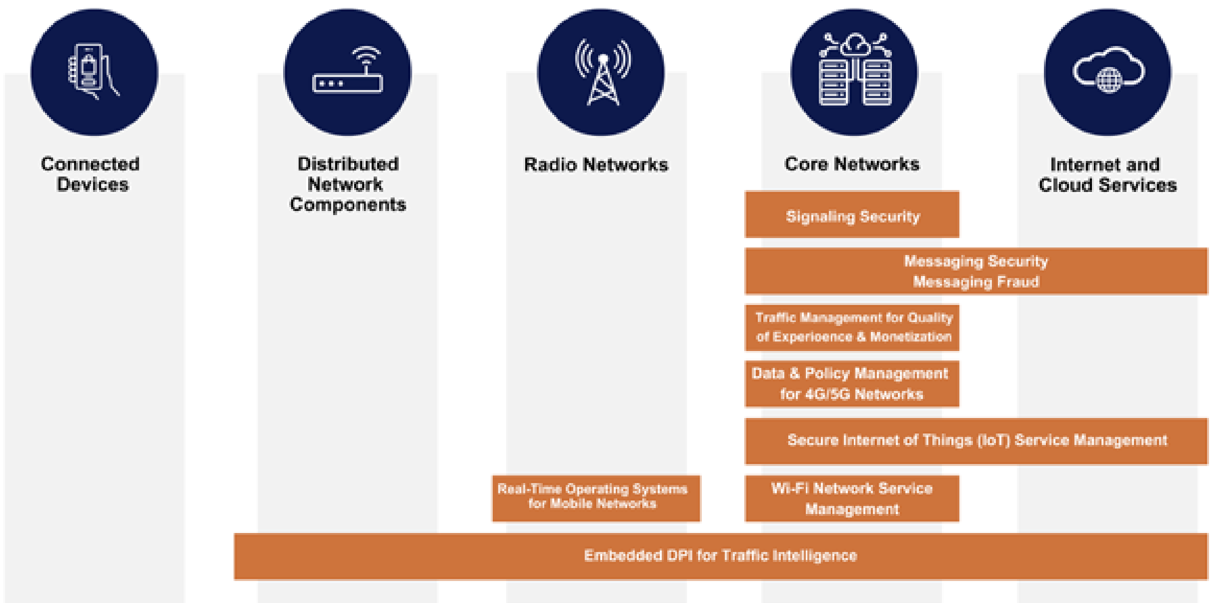
OUR GROWTH STRATEGY

People, businesses and societal functions all over the world are increasingly dependent on secure and reliable digital communication. The trend towards higher traffic volumes and more and more connected devices is expected to continue, which creates driving forces for new investments in technology that protect and make communication more efficient. Our business idea is to develop and sell software that protects and streamlines communication in mobile and corporate networks.
Technology shifts towards cloud solutions, AI and the fifth generation mobile networks (5G) are changing the dynamics of markets that were previously dominated by a few companies. Traditional solutions, often based on components from a single supplier, are increasingly being replaced by open, cloud-based systems where different companies contribute specialized software. As a leading software supplier, we are well positioned to benefit from this development.

Our growth in recent years has been driven by the Network Solutions product group, whose turnover has grown thanks to a combination of our own investments and strategic acquisitions. The strategy for these investments is based on identifying and focusing on areas where there is both underlying growth and good profitability, as well as an opportunity to go from challenger to market leader. One example is traffic management in mobile networks, where a steep increase in video traffic combined with rising operating costs creates demand for video optimization among mobile operators worldwide. Another example is the classification of network traffic, a central function of most security solutions. A third example deals with cybersecurity for mobile networks, where increased traffic exchange between operators leads to new security threats.
What all these areas have in common is that today we have a world-leading position and a market-leading product portfolio.

THE KEY AREAS

Enea focuses on a limited number of well-selected key areas and strives for a leading position within these.



INVESTMENT AREAS

An important investment area for us is cybersecurity. Here, in recent years, we have substantially strengthened our market position at the same time as the need for improved security in mobile networks is continuously increasing throughout the world. We are well positioned within this growing market and we will to continue our efforts to gradually broaden our offer and expand our customer base. Artificial Intelligence is an area of technology that has an accelerating importance in this market, as well as in most of our business areas. We will therefore increase our rate of investment precisely within this technology area. Another important area of investment for us is securing the competitiveness of our products in the emerging 5G networks. Our customers must feel secure with their investment and that our products deliver regardless of the generation of the telecom network. This is an important part of our product strategy. In 2024, we will also strengthen our portfolio for traffic management, to create even greater opportunities for our customers to actively work with their traffic flows and thus also their revenue generation.

BUSINESS AND SALES MODELS

Our business model is based on the development and sale of software. Most often, the software is licensed to the customer, where recurring revenue is created with time and volume-based licenses, production licenses, as well as technical support and maintenance. We also provide software as a service (Software as a Service), where the customer pays for useage and the software is provided using cloud-based technology. This applies above all when we sell our product outside the telecom industry.

We work in parallel with two different sales models. The first is about direct sales aimed at telecom operators and service providers in key markets in North America, Europe and Asia. We have continuously strengthened our sales organization and have large-scale implementations and long-term deals with many of the world's leading telecom operators and service providers. In the second sales model, our software is delivered in collaboration with selected partners; both large system suppliers where we complement their portfolio and specialized implementation partners. This makes it possible to offer products and solutions to customers and in markets that we would have difficulty reaching on our own.

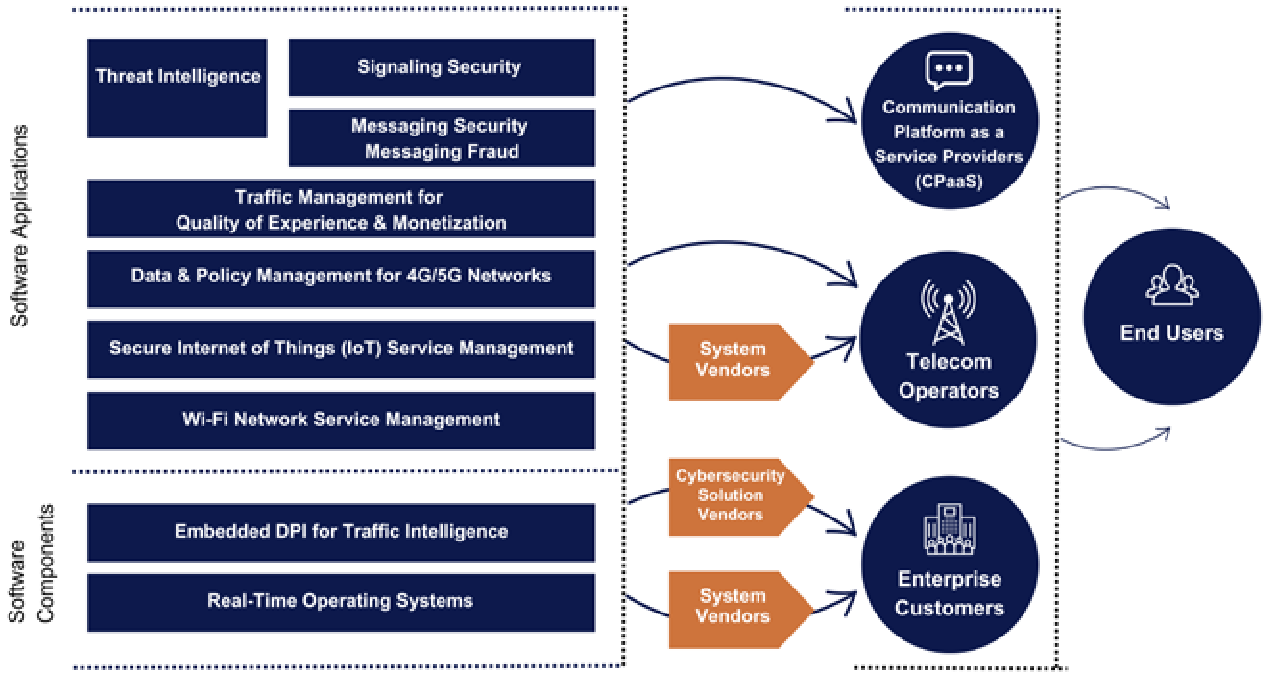
ACQUISITION

Our strategy is based on creating long-term, organic growth within the network and security segments. At the same time, complementary acquisitions are an important way to increase the growth rate, and in recent years we have successfully acquired and integrated several companies in these areas. With a strong financial position, we have good opportunities to finance further acquisitions and potential acquisition candidates are continuously evaluated.

Business concept

Our business concept is to sell proprietary software for telecom and cybersecurity, either as a product or as a service.

PRODUCT PORTFOLIO AND SALES MODELS



Strategy

Our strategy is to identify and focus on areas where there is both underlying growth and good profitability and the opportunity to go from challenger to market leader.

12.

THE MARKET

”We are pioneers at the forefront of cybersecurity and telecom core technologies.

Our mission is to provide innovative and robust solutions that elevate the network security, performance and intelligence of Communication Service Providers and Cybersecurity Solution Vendors.”

DRIVERS FOR GROWTH

The underlying drivers for investment in mobile infrastructure and communications solutions are the ever-increasing market demand and growing regulatory requirements for ubiquitous, robust and secure high-speed communications. Given that service provider revenues are not evolving in line with increased network traffic, this also creates demand for software to better utilize network resources, prevent revenue leakage, and provide competitive differentiation through fast service delivery and superior user experience. Network automation powered by artificial intelligence, migration to cloud platforms, and new generations of Wi-Fi and mobile systems are some of the technology shifts that are already underway and are expected to continue in the coming years. Increasingly, telecom networks are considered critical infrastructure for society and face growing cybersecurity threats. Investments to protect mobile networks and digital communications is a priority area that has received additional focus due to a more uncertain global situation and where recent surveys indicate that many operators have not yet invested enough.

CUSTOMERS AND COMPETITORS

Our largest customer group consists of large telecom operators who use our software in their networks to deliver communications services to subscribers and businesses. This is a strategically important customer group that provides opportunities for long-term contracts with stable income, and at the same time sets high demands that fuel our innovation and drive our competitiveness. We have long-standing relationships with many of the world's largest and most technically advanced telecom operators, where we strive to introduce more of our portfolio. In addition, our well-established indirect sales partnerships with major system suppliers effectively expand our market reach. During the year, we won fifteen new customers, proof of our ability to gain market share with our market-leading software and high customer intimacy.

Another important customer group consists of enterprise software vendors that use our software as sub-components of their solutions under licence. For example our Deep Packet Inspection traffic classification software, which is integrated into customers' own applications for use in enterprise networking and cybersecurity solutions. In these market segments our commercial model is based on deployment volume which provides for a high proportion of recurring revenues. In some cases, competition consists of customers' internal projects where they try to develop their own functionality instead of buying ready-made software components and libraries.

During the year, we launched a new cyber threat detection product that extends open source solutions and provides entry into new market segments for cybersecurity, for example with cloud providers. Another customer segment where we have established a strong position is with large suppliers of communication platforms (CPaaS) and message aggregators. These customers use our messaging security firewalls to protect businesses and subscribers from unwanted and fraudulent SMS traffic. In this area, service-based business models and cloud-based delivery models are becoming more common.

TRENDS

The telecom industry and the market opportunities for Enea are shaped by a number of industry-specific factors, technology development and broader societal and economic trends. Some of the most relevant trends affecting our business include:

1. FRAUD AND SECURITY THREATS

In 2023, cybersecurity threats escalated from already high levels globally in part boosted by AI capabilities, affecting critical infrastructure including telecoms networks, as well as enterprises and consumers. Fraudulent voice calls, scam messages and major service interruptions have led to a strong increase in public awareness, and attacks on telecoms networks are increasingly considered a national security concern. Encryption of communications intended to improve privacy for users has also has the effect of increasing security risks. Many governments are responding with cybersecurity policies and regulations, which will put increased requirements on the telecoms and IT industry to protect networks, data and subscribers, and mitigate geopolitical risks in the provision of services. Likewise, enterprises have increased their own investments in cybersecurity, and are placing higher expectations on their telecom suppliers.

2. GROWING DATA DEMAND

Telecom networks are in the midst of migrating to new generation systems to handle continued data traffic growth, driven by video consumption which is particularly demanding indoors where the majority of all data is consumed. As new revenue streams have not yet materialized from these new investments, operators are focusing on profitability, and that's where Enea's software can play a role. It could be, for example, handling data and video traffic with increased efficiency, or off-loading to Wi-Fi to cost-effectively manage high demands at entertainment venues and indoors for example. Some operators have been able to raise mobile broadband prices based on differentiated network speed packages, and create new offers to cater to the growing gaming market.

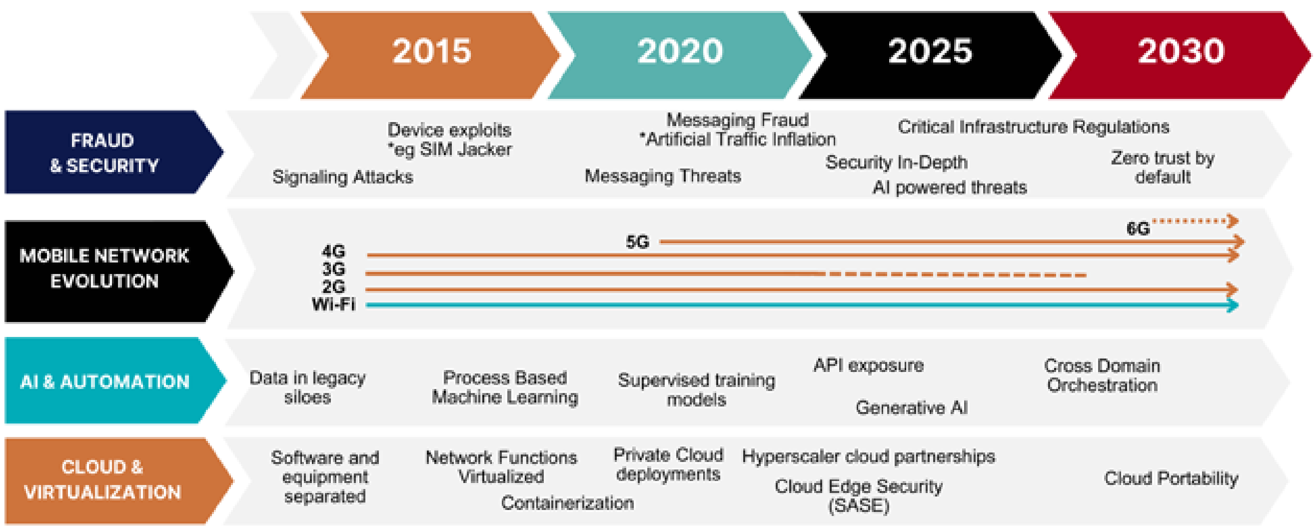
3. ARTIFICIAL INTELLIGENCE AND AUTOMATION

The telecom and cybersecurity sectors have been early adopters of the latest artificial intelligence technology. Uses include improving customer service, as well as automating the complex tasks of running networks to improve network performance and improve efficiency. Enea's products include AI technologies for tasks such as predicting and managing network congestion and for identifying and classifying different types of traffic on a large scale. Since all AI and automation is dependent on relevant and high-quality data, these trends should increase demand for specialized software products that help operators and software vendors collect, manage and apply different types of data in real-time in critical networks.

4. CLOUD

Another clear trend is the use of cloud-based solutions. This includes both public and private cloud platforms, with the latter still dominating among mobile operators. This trend has implications for both technology choices and business models. Technically, it is about building software for cloud-based environments and having an underlying software architecture that provides increased flexibility and scalability. Cloud services also enable new business models, such as subscription and usagebased pricing and licensing models.

GLOBAL TECHNOLOGY TRENDS



14. PRODUCTS AND SERVICES

We offer products and solutions for telecom and enterprise networks.

Our offering is based on a unique collective expertise that our specialists possess in areas such as 5G, cybersecurity and cloud-based solutions.

Unique offering for telecom and cybersecurity

MARKET SEGMENTS 2023

Our product portfolio can be divided into the following two market segments:

NETWORK SOLUTIONS

Specialized software solutions for cybersecurity, traffic intelligence and optimization and data management.

OPERATING SYSTEMS

High-performance real-time operating system for telecom, networking and embedded applications.

MARKET SEGMENTS 2024

As of 2024, the segments are updated to the following three segments to better reflect Enea's market and product portfolio.

NETWORK

Specialized software solutions to optimize and manage data on networks, increase performance and improve customer experience.

SECURITY

Specialized cybersecurity software solutions to protect networks against intrusions, threats and attacks.

OPERATING SYSTEMS

High-performance real-time operating systems for telecom, networking and embedded applications.

Our most important products

ENEA'S OFFER WITHIN THE NETWORK SEGMENT:

HANDLING OF SUBSCRIBER DATA

This portfolio domain enables telecom operators to identify and authenticate users, to provide access to specific network services and plans. The portfolio also includes common storage of subscriber data for a large number of network applications, which not only reduces the number of data silos but also provides cost savings.

TRAFFIC MANAGEMENT

This portfolio domain enables telecom operators to optimize the transmission of encrypted video for a better user experience and more even utilization of network resources. The large number of features allows operators to improve the quality of experience for end users, as well as to classify and filter traffic to protect revenue and prevent fraud.

ENEA'S OFFER WITHIN THE SECURITY SEGMENT:

MOBILE NETWORK SECURITY

This portfolio provides mobile operators with protection for the network's signaling protocol against multiple threats, including personal data leakage and certain forms of fraud. Additionally, it secures revenue and regulatory compliance in the delivery of Application-to-Person (A2P) traffic for mobile network operators and communications platform as a service (CPaaS) providers.

WI-FI MANAGEMENT AND INTERNET OF THINGS SERVICES

This portfolio domain enables telecom operators to offer public Wi-Fi services with the most comprehensive set of B2C and B2B use cases. In addition, with the help of a cloud solution, operators can more quickly and easily create services for the secure connection of IoT devices.

ENEA'S OFFER WITHIN THE OPERATING SYSTEMS SEGMENT:

REAL TIME OPERATING SYSTEM

This portfolio contains high-performance real-time operating systems for telecoms, networks and embedded applications. They enable customers to launch new solutions faster, reduce risk, and lower costs throughout the product cycle. Products for communication between applications and computer equipment, which, among other things, make better use of the processor's capacity.

Glossary

Industry-specific terminology and concepts that occur in this report.

TELECOM

4G
The fourth generation of mobile telecommunications technology. 4G provides access to mobile broadband, IP telephony, gaming services, high-definition mobile TV and more.

5G
5G (5th generation mobile network or 5th generation wireless system) denotes the next major phase of mobile telecommunications standards that enable new areas of use.

A2P - APPLICATION-TO-PERSON
Messages, mainly SMS, sent from an application to mobile phone users via an API.

CPAAS – COMMUNICATIONS PLATFORM AS A SERVICE
When a cloud-based communication platform is provided as a service, it makes it easy for developers to integrate communication solutions, such as A2P SMS.

CSP - COMMUNICATION SERVICE PROVIDER
A collective name for companies that offer telecommunications services or a combination of information and media services, entertainment and services via telecommunications networks.

DPI - DEEP PACKET INSPECTION
DPI is used to inspect data traffic and classify what type of content it is. DPI technology is built into a variety of network solutions, such as firewalls and routers, to enable them to distinguish different types of traffic. Independent DPI solutions are used by telecom operators for traffic management, for example to be able to filter out harmful or unwanted traffic and manage traffic flows better.

GSMA
A trade organization that represents the interests of mobile operators worldwide. Works with industry standards and recommendations, among other things.

IOT – INTERNET OF THINGS
Different connected devices can send information via networks, to each other as well as to applications. For example alarm systems, cars, smart watches and electricity meters.

COMMUNICATION NETWORKS
An overall concept that includes all types of networks for communication between computers, systems and people.

CORE NETWORK
The central part, or brain, of a mobile network. The core network manages the connection of user devices and provides a large number of network services. The core network includes network functions for storing subscriber data, managing access and authentication, managing connections between user devices and mobile networks, controlling signaling and much more.

MOBILE NETWORKS
The mobile network consists of different geographic cells, with their own antenna/base station where mobile phones connect, i.e. the users, and transfer voice and data information between them.

SIGNALING
In mobile networks, signaling refers to the control messages exchanged between network devices to control and manage calls, messages or data traffic.

NETWORK APPLICATION
A service on the network with a specific function or task.

RADIO NETWORK
A network that uses radio as a link to communicate between devices.

REAL TIME OPERATING SYSTEM
A type of operating system used where fast, reliable and secure responses are required within a tight time limit.

ROAMING
When a user travels outside their mobile phone company's range and home network, the phone automatically connects to another phone company's service.

TELECOM OPERATOR
Companies that own and operate telecommunications networks, which can be fixed and mobile.

TELECOM NETWORK
A broader term that includes all types of public networks used to transmit information, including voice, data and video. Can be wired or wireless such as broadband network, cable TV network, fiber network etc.

TRAFFIC MANAGEMENT
When the data traffic on a public network, for example video, is controlled in a way to make operations more efficient or protect the network and its users against harmful or unwanted traffic.

WI-FI
A technology that enables wireless communication and connection between different devices via radio waves, also called wireless LAN.

CYBERSECURITY

DOS - DENIAL OF SERVICE
A type of cyber attack that involves overloading the system and thus making it unavailable.

MALWARE
Umbrella term for malicious software, for example viruses, spyware and trojans.

PHISHING
Involves tricking the recipient into opening a document, downloading a file (malware) or visiting a website via fake text messages, emails or chats.

SIGNALING SECURITY
Refers to functions and techniques to protect networks, communications and user data against attacks aiming to intercept or inject improper signaling messages within and between networks.

18. EMPLOYEES

Enea's ambition is for every employee to feel included and that they play an important role in the company's success.

The competence, commitment and innovation of the employees are crucial to achieving the company's goals.

Employees

COMMON VALUES

As the outside world changes, we also need to internally update our culture and our values to create commitment, progress and success. Therefore, we have updated our five common values in 2023 and launched them. Shared values provide us guidance in how we act in work situations towards both customers and colleagues and form the basis for us as a successful company and attractive employer.

The five updated common values are as follows:

- **Customer focus and quality -** We have customer focus and quality deeply rooted in all our processes.
- **Take Action -** We act quickly, are flexible and focused and are driven by continuous improvement.
- **Accountability -** We take responsibility for what we do and are proud of it.
- **Inclusiveness -** We are inclusive. Diversity for us means different personalities and talents, and it helps us think deeper and be more innovative.
- **Passion and fun -** Passion for what we do and having fun helps us go the extra mile to deliver what is required.

COMMITTED EMPLOYEES

It is important for us to be an attractive employer with committed employees. For this reason we are very happy and proud that our employee survey shows a very high engagement, compared to similar surveys in other parts of the industry. We work continuously to promote a healthy work environment where employees have a good balance between work and leisure. This rests on a belief that employees who thrive and feel good also perform better.

LEARN, UNLEARN, RELEARN

We have individually adapted development plans that cover both the company's needs and the individual's interests. As a leading global specialist in software development, it is crucial that employees continuously develop their skills. We can ascertain that a majority of the employees believe that they are developing in their roles. This is best promoted through a combination of both formal and informal learning. The continuous learning in the daily work plays an important role where we have a significant proportion of co-workers with unique expertise in their fields, which creates opportunities for collaboration and knowledge exchange.

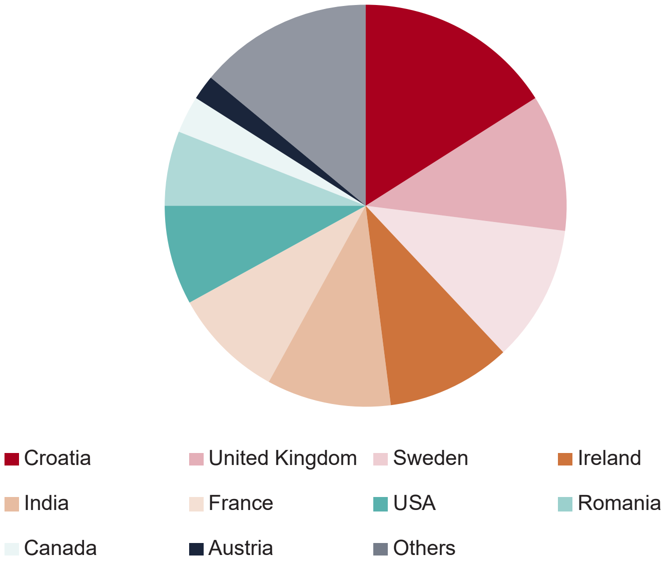
INCLUSIVENESS IN AN INTERNATIONAL ENVIRONMENT

We operate internationally and have a global presence. We have several development centers in Europe and Asia and a large proportion of employees in product development in Eastern Europe and India, where we also have groups for technical support and product-related services. More than 30 nationalities with different backgrounds and experiences work with us. This is an enormous strength that helps us think both more broadly and more deeply and contributes to our competitiveness.

Being inclusive is an important success factor for promoting the creativity and innovativeness that is also required for Enea to strengthen its position as a global leading actor. It is also important in Enea's international operations that the organization reflects the customers' organization and that employees have knowledge of local markets and an understanding of different cultures. We also strive for a more even gender distribution and the goal is for the percentage of female employees to reach 30 percent by 2030. This requires active work in, among other things, recruitment.

COMPETENT LEADERS

We are proud to have competent and respected leaders. Their ability and individual leadership style are appreciated by our employees and confirmed by the high leadership index in our employee survey. We are aware of the challenges our leaders face with demands from different directions, and in 2024 want to focus extra on supporting and strengthening this group, as they are the key to leading our employees forward.



Workforce: 463

OUR FIVE COMMON VALUES:

- **Customer focus and quality** – We have customer focus and quality deeply rooted in all our processes.
- **Take Action** – We act quickly, are flexible and focused and are driven by continuous improvements.
- **Accountability** – We take responsibility for what we do and are proud of it.
- **Inclusiveness –** We are inclusive. Diversity for us means different personalities and talents.
- **Passion and fun –** Passion for what we do and having fun helps us go the extra mile to deliver what is required.

20.
THE ENEA SHARE

Enea AB was listed on the stock exchange in 1989 and since January 2, 2019 has been listed on the Nasdaq Stockholm Mid Cap (ticker: ENEA)

The Enea share

SHARE PRICE PERFORMANCE

During the year, Enea's share price has varied between SEK 111.40, the highest on March 9, and SEK 37.40, the lowest on October 25. The closing price at the end of the year was SEK 56.60, which means that Enea's share price during the year has decreased by 33.8 percent. This can be compared with the OMX Stockholm All-Share Gross Index (OMXS-GI) and the OMX Stockholm Technology Gross Index (SX9000GI), which increased by 18.8 and 12.2 percent respectively during the same period.

TRADING VOLUME

A total of 11 million shares were traded during the year at a total value of SEK 627m (1,179), which means an average of 43,802 shares (37,707) per trading day.

OWNERSHIP

The number of shareholders was 9,149 on December 31 (10,506). Enea is listed on Nasdaq Stockholm (ticker: ENEA). The company has a total of 21,858,231 outstanding shares, of which 21,615,231 are ordinary shares and 243,000 are C shares. The company's largest shareholders are Per Lindberg 34.1 percent, Första AP-fonden 6.9 percent, C World Wide Asset Management 4.9 percent and Handelsbanken fonder 3.9 percent. The 20 largest shareholders together hold 71.5 (73.4) percent of the company's capital. The foreign owners' share corresponded to 25.7 (22.0) percent.

NUMBER OF SHARES

The number of shares amounted to 21,858,231 as of 31 December. The number of ordinary shares amounted to 21,615,231 and the number of shares of series C amounted to 243,000. At the same time, Enea AB holds a total of 570,107 ordinary shares and 243,000 shares of series C, corresponding to approximately 3.7 percent of the total number of shares. An ordinary share has a quota value of SEK 1.13 and entitles to voting rights (one vote per share) at the annual general meeting. One share of series C entitles to one vote per 10 shares. The total number of votes is 21,639,531.

Provisions in the articles of association mean that there are no restrictions on the transferability of the shares or each shareholder's right to vote at the annual general meeting.

CAPITAL STRUCTURE

In a company of Enea's nature, where the development and sale of software constitutes an essential part of the business, maintaining a strong financial position is of great importance. In order for Enea to be able to continue to develop also through acquisitions, the company may over time be net leveraged. The board continuously monitors the company's long-term financing needs.

DIVIDEND POLICY

Enea's long-term dividend policy is that at least 30 percent of the profit after tax must be transferred to the shareholders. However, consideration must be given to financial position, cash flow, acquisition opportunities and future prospects. Given the acquisition opportunities and future prospects that Enea's board sees for the coming years, no dividend is proposed for 2023.

AUTHORIZATION – ACQUISITION OF OWN SHARES

The 2023 Annual General Meeting decided to authorize the board to decide on the acquisition and transfer of own shares. Acquisition of own shares may only take place on Nasdaq Stockholm or in accordance with an acquisition offer to all of the company's shareholders. The maximum permitted purchase is such that the holding of treasury shares at no time exceeds 10 percent of all shares of the company.

Transfer of treasury shares is also permitted by means other than via the stock exchange, including the right of transfer waiving shareholders' preferential rights, and with payment other than cash. A maximum of 10 percent of the total number of shares of the company may be transferred. The above authorization may be utilized on one or more occasions and by no later than the Annual General Meeting in 2024.

Acquisition of shares on the stock exchange may only take place at a price within the price interval registered on the stock exchange at any given time. Transfers in connection with business acquisitions may take place at market value assessed by the board. The purpose of acquiring or transferring own shares is to be able to continuously adapt the company's capital structure to the company's capital needs, to enable financing, in whole or in part, in connection with company acquisitions, and to be able to secure available shares in decided share savings programs.

Source: Modular Finance AB. Compiled and processed data from, among others, Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

NEW SHARE ISSUE

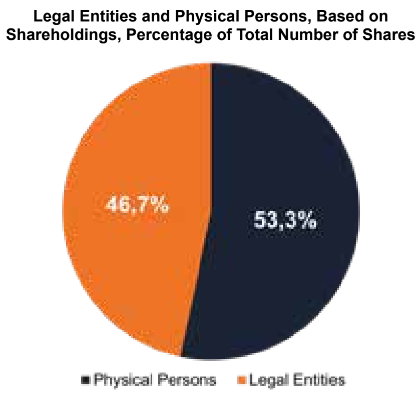
The 2023 Annual General Meeting authorized the board to decide on a new share issue on one or more occasions until the time of the 2024 Annual General Meeting in order to be able to finance continued growth and expansion, for example in connection with company acquisitions. This authorization meant that the Board of Directors is authorized to issue shares corresponding to a maximum of 2,185,823 shares, i.e. a maximum of 10 percent of the number of outstanding shares as of the date of notice to the Annual General Meeting 2023.

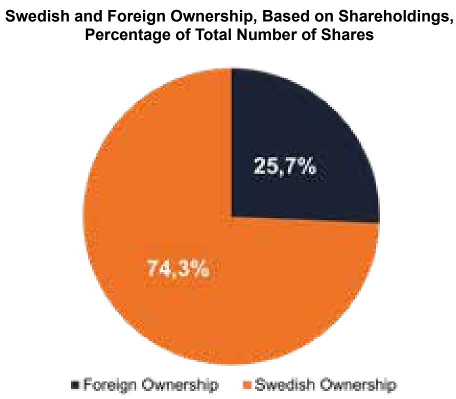
The share issue may take place with or without waiving shareholders' preferential rights. The share price of the new issue should be on market terms. Payment for new shares shall be made in cash, via offset or contribution in kind or other terms stated in chapter 13 § 5.1 point 6 of the Swedish Companies Act. The Board of Directors may otherwise determine the terms and conditions of the new share issue.

For more information, see www.enea.com.

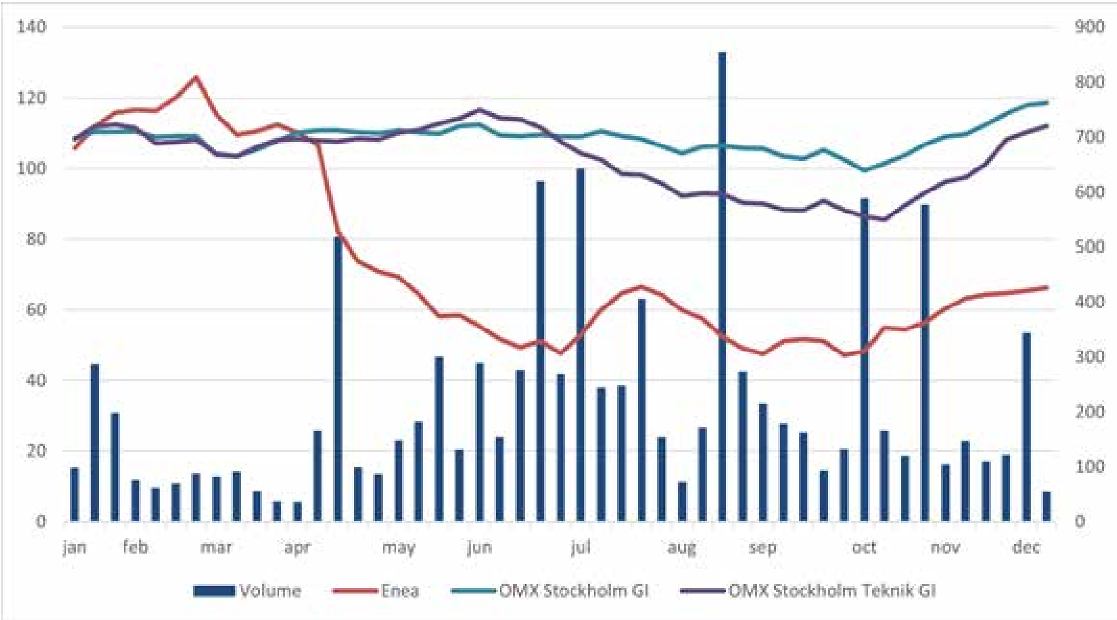
INVESTOR RELATIONS

Enea's work with investor relations is characterized by transparency and accurate and relevant information. The company publishes this information in the form of press releases, interim reports and annual reports as well as on Enea's website. Stakeholders can subscribe to press releases and financial reports via email.





THE SHARE 2023



SHARE-RELATED KEY INDICATORS, SEK

	2023	2022	2021	2020	2019
Net asset value per share	77,83	106,06	82,66	69,09	69,54
Earnings per share	-25,80	10,43	9,30	6,63	8,47
Earnings per share after full dilution	-25,80	5,05	8,61	6,05	8,23
Cash flow from operating activities per share	12,13	7,73	15,43	11,43	12.24
Dividend per share[1]	0	0	0	0	0

[1] *Board of Directors' proposal to the Annual General Meeting 2024*

SHAREHOLDERS BY SIZE OF HOLDING, 31 DECEMBER 2023

Holding	No. of Share-holders	No. of Shares	Percentage of Votes and Capital
1-500	7989	762 142	3,5 / 3,5
501-1 000	528	415 207	1,9 / 1,9
1 001-5 000	486	1 085 377	5 / 5
5 001-10 000	62	451 930	2 / 2
10 001-20 000	36	543 859	2,5/ 2,5
20 001-50 000	11	339 628	1,6 / 1,6
50 001-	35	18 260 088	83,4 / 83,5
Total	9 147	21 858 231	100,0

TEN LARGEST SHAREHOLDERS BY OWNERSHIP GROUP, 31 DECEMBER 2023

Shareholders	No. of Shares	No. of C series Shares	Per-centage of Votes and Capital	Per-centage of Votes and votes
Per Lindberg	7 453 656		34,1	34,4
Första AP-fonden	1 500 000		6,9	6,9
C WorldWide Asset Mana-gement	1 059 146		4,9	4,9
Handelsbanken Fonder	856 578		3,9	4,0
Canaccord Genuity Wealth Management	532 820		2,4	2,5
Holmen Fondsforvaltning AS	528 694		2,4	2,4
Fondita Fund Management	420 788		1,9	1,9
Nordnet Pensionsförsäkring	381 345		1,7	1,8
Athanase Industrial Partners	333 878		1,5	1,5
Herald Investment Mana-gement	250 000		1,1	1,2
Ten largest shareholders	13 316 905		60,8	61,5
ENEA AB	570 107	243 000	3,7	2,8
Other shareholders	7 728 219		35,5	35,7
Total	21 615 231	243 000	100,0	100,0

OWNERSHIP BY DOMICILE

Area	Share-holders, percentage	Per-centage of Votes and Capital
Sweden	96,8	74,6 / 74,4
Rest of Nordics	1,7	12,2 / 12,3
Rest of Europe (excl. Sweden and Nordics)	0,7	0,7 /0,7
United Kingdom	0,2	4/4
USA	0,3	1,3 / 1,3
Total	100,0	100,0

24. DIRECTORS' REPORT

The board and managing director of Enea AB (publ) reg. no. 556209-7146, with registered office in Stockholm, hereby issue a report for the financial year 1 January – 31 December 2023, including parent company and group.

Directors' report

Enea is a global supplier of software for telecommunications and cybersecurity. The revenue is mainly generated within the Network Solutions product area, which includes mobile and fixed telecommunications as well as corporate networks. The software that Enea supplies enables, among other things, mobile operators to improve the security of their networks, ensure consistent and good quality of different types of services and to manage large amounts of data in a resource-efficient manner. Products and solutions are sold directly to network operators and are also integrated into solutions from system suppliers.

Today, over four and a half billion people use Enea's solutions and services to communicate via mobile phones and the internet.

REVENUE

Enea's revenue in 2023 amounted to SEK 934.5 million (964.7). Net sales decreased by 2 percent (7) to SEK 912.7 million (927.7). With adjustment for changes in exchange rates, turnover decreased by 6 percent (1). Turnover within the Network Solutions product group amounted to SEK 751.2 M (800.8) and decreased by 6 percent (13). Turnover within the Operating system product group amounted to SEK 161.4 million (126.8) and increased by 27 percent (19).

The increase is mainly due to a license income from one of the key customers during Q1, where turnover increased by 44 percent and constitutes 68 percent (60) of the product group's turnover.

PROFIT/LOSS

Enea's operating profit excluding non-recurring items amounted to SEK 122.2 M (142.1), which corresponds to an operating margin excluding non-recurring items of 13.4 percent (15.3). The non-recurring items consist of a write-down of goodwill and intangible assets related to capitalized development costs as well as restructuring costs. The operating profit amounted to SEK -499.5 million (118.1), which corresponds to an operating margin of -54.7 percent (12.7). The currency effects on the group's results amounted to SEK -29.5 million (-3.1). The gross margin for the full year amounted to 77.0 percent (77.9). The financial net for the full year amounted to SEK -56.9 million (-17.2). The negative impact on the financial net derives from exchange rate losses on financial items and net interest. The result after tax amounted to SEK -550.7 M (109.0) for the full year. Earnings per share amounted to SEK -25.80 (10.43) for the full year.

CASH FLOW AND FINANCIAL POSITION

Cash flow from operating activities amounted to SEK 258.9 M (167.2) and total cash flow amounted to SEK 37.7 M (-4.2). Cash flow from changes in working capital varies between quarters, among other things depending on when income from major licensing deals is received. Cash and cash equivalents at the end of the year amounted to SEK 261.8 million (231.3). Total interest-bearing liabilities at the same time amounted to SEK 470.9 M (551.7), divided into SEK 27.1 M (6.6) in short-term interest-bearing liabilities and SEK 443.8 M (545.1) in long-term interest-bearing liabilities. The balance sheet total at the end of the year amounted to SEK 2,581.1 million (3,318.0) and the net debt at the end of the year amounted to SEK 209.1 million (320.5). Enea continues to have a strong financial position with an equity ratio of 65.1 percent (69.1).

INVESTMENTS AND DEPRECIATION

The year's investments amounted to SEK 95.2 million (138.8). Depreciation and write-downs amounted to SEK 696.7 million (159.9). Capitalized product development costs amounted to SEK 88.1 million (128.8). Depreciation and write-downs related to these amounted to SEK 204.1 million (88.6). Depreciation attributable to leasing assets amounted to SEK 18.2 million (15.3).

RESEARCH AND DEVELOPMENT

In 2023, product development costs amounted to SEK 830.5 million (298.6), of which write-offs burdened the result with SEK 530.0 million (0.3). Adjusted for write-downs, product development costs amounted to SEK 300.5 million (298.3), which corresponds to 32.9 percent (32.2) of sales during the period. Product development costs excluding depreciation but including capitalized costs amounted to SEK 226.2 M (269.1), which corresponds to 24.8 percent (29.0) of sales during the period.

THE PARENT COMPANY

The parent company's operations are primarily focused on staff functions and administration with regard to business management, economics, finance, IT and administration. The parent company's turnover for the full year amounted to SEK 67.9 million (42.2) and profit before end-of-year appropriations and tax amounted to SEK 1.0 million (-61.8). The financial net in the parent company was SEK 17.6 M (-4.7) and cash and cash equivalents and financial investments amounted to SEK 35.6 M (0.0) at the end of the year. The parent company's investments amounted to SEK 3m (2.8). Number of employees in the parent company at the end of the year was 15 people (16). The parent company does not conduct its own operations and its risks are mainly attributable to operations in the subsidiaries.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

Guidelines for remuneration to senior executives can be found in note 4. A remuneration report will be drawn up and submitted to the annual general meeting. It describes how the guidelines have been applied in 2023. No deviations from the guidelines have been made and no deviations have been made from the decision-making process that, according to the guidelines, must be applied to determine the compensation.

OTHER SIGNIFICANT EVENTS

Enea mainly operates in cybersecurity and telecommunications. The uncertain global situation has a negative effect on the global economy, which affects customers' risk appetite and willingness to invest. For Enea, this means that some projects are delayed or not carried out. At the same time, the underlying driving forces for telecommunications remain, which means a continued focus on virtualization, 5G and increased network capacity. Enea's business strategy is based on developing new products and improving existing solutions, which means significant investments. At the end of the period, the value of capitalized development costs amounted to SEK 219.7 million (338.3). Investments are made towards markets with great potential for growth and profitability and after careful analysis. If, despite this, products are not technically or commercially successful, it can have a negative impact on the company's operations and financial position, which can cause changes in strategy and priorities.

SUSTAINABILITY REPORT

A sustainability report that has been subject to review by the company's auditors has been drawn up (see pages 30-45).

DIVIDEND POLICY

Enea's ambition is to build a bigger and stronger company, which delivers increasing value for customers, employees and shareholders.

Acquisitions that strengthen the company's market position and long-term earning power, as well as continued investments in the own product portfolio are important parts in this endeavor. To enable and be well equipped for acquisitions, Enea needs to have a strong and flexible capital structure. This can sometimes mean that the company is net leveraged. Therefore, the board also needs to take into account the company's long-term investment needs but also the financial position when considering dividends.

During the year, Enea acquired 570,107 own ordinary shares for a total of SEK 27.1 million.

Enea's long-term dividend policy is that at least 30 percent of the profit after tax must be transferred to the shareholders. However, consideration must be given to the company's financial position, cash flow, acquisition opportunities and future prospects. Given the company's acquisition opportunities and growth strategy for the coming years, the board proposes no dividend for 2023.

PROPOSED APPROPRIATION OF PROFITS

The following funds are at the disposal of the parent company (krona):

Premium fund	562 748 745
Retained earnings	206 971 808
Profit for the year	762 484
Total	**770 483 037**

The board proposes that these funds are appropriated so that SEK 770,483,037 is carried forward.

Significant Events

In January, a framework agreement for support and maintenance of operating systems was signed with one of the company's key customers. The contract is for three years and extends support services from previous one-year agreements. The contract provides guaranteed recurring revenue to a value of approximately SEK 20 million per year. The one-year agreement, which expired in December 2022, generated revenue equivalent to SEK 25 million.

In March, an agreement on licenses and continued support and maintenance services for the OSE operating system was signed with one of the company's key customers. The contract includes perpetual software licenses as well as extended support and maintenance services for at least three years. License revenue of EUR 4.8 million was recognized as revenue during the first quarter of 2023. Service revenue corresponding to EUR 1.8 million will be reported over a three-year period. The total contract value amounts to EUR 6.6 million. The contract replaces a previous agreement with a decreasing annual fee that included user rights and associated services. The previous agreement expired in December 2022 and generated quarterly revenue of approximately EUR 0.7 million in 2022.

In July, a contract for traffic management was signed with a telecom operator in North Africa. The solution forms part of the customer's modernization of mobile and fixed broadband and enables more efficient management of services and data traffic as well as improved user experience. The agreement includes software licenses, professional services and technical support. 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. The total contract value is 2.0 MUSD.

EFFICIENCY AND REVALUATION OF INTANGIBLE ASSETS

The company announced on July 3 that it is carrying out streamlining and cost reduction 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 made a revaluation of assets in the balance sheet. In the recent period, Enea has had great success in the cybersecurity market, but at the same time has had challenges within its product portfolio for telecom. The company has therefore carried out a strategic review of its operations in the telecom business during the second quarter, in order to assess the future potential of completed investments. The review showed that due to delays in the 5G market, deteriorating macroeconomic prospects and increased required return (WACC), the company needed to make a reassessment of future cash flows and additionally occupied assets. This resulted in a write-down of intangible assets with a total of SEK 530 million, attributable to goodwill and capitalized development costs. In addition, provisions were made for bad debts and unearned income of SEK 66 million, attributable to a stopped NDL project and to currency restrictions in Egypt. Provisions and revaluation of intangible assets burdened the second quarter but did ot affect cash flow.

The company's products for data management in 5G networks had reached commercial status and the rate of investment was adjusted to the market situation. The workforce for delivery and customer-specific testing within the telecom portfolio was reduced, including in Germany. The recent years' investments in automation and the consolidation of competence at the company's development center in Croatia created good conditions for this streamlining. In total, the company's efficiency measures affected approximately 70 employees and external consultants in Europe, India and North America. The program meant an improved cash flow of approximately SEK 60 million per year, with full effect from 2024, of which approximately SEK 50 million consisted of reduced investments in own product development. Restructuring costs in 2023 was estimated to amount to SEK 30 million, of which SEK 20 million was charged to the second quarter.

CHANGE OF CEO

The board of Enea AB announced on July 3 that CEO Jan Häglund was stepping down as CEO. Due to this, the board appointed the current chairman Anders Lidbeck as interim CEO. Kjell Duveblad was appointed Chairman of the board as Anders Lidbeck is unable have both positions during his time as CEO. Jan Häglund started at Enea in April 2019 with the goal of formulating a long-term growth strategy and particularly strengthening the company within the Telecom segment. Since then, the company has significantly strengthened its market position within Telecom. The company has also made significant progress in the cybersecurity market during this period. Enea is now entering a new phase where the focus will be on taking advantage of the large business opportunities that exist with the product portfolio that has been created, both within the Telecom and Cybersecurity markets. This phase requires other leadership experiences to achieve the goals the company has in terms of growth, profitability and cash flows.

OTHER

In July, the company announced that Enea Aktiebolag's board has decided to use the authorization received from the 2023 annual general meeting to buy back its own shares. At the annual general meeting in Enea on May 4, 2023, it was decided to authorize the board to decide on the acquisition and transfer of own ordinary shares. The board has now decided to use the authorization regarding the acquisition of own ordinary shares. Acquisition of ordinary shares has been carried out in accordance with the EU's Market Abuse Regulation (MAR) and the EU Commission's Delegated Regulation 2016/1052 (the so-called Safe Harbor Regulation). Acquisition of ordinary shares will be carried out by an investment firm or credit institution that makes its trading decisions independently of Enea as regards the timing of the acquisition of Enea's shares. Reporting of completed buybacks will take place in accordance with current regulations. The purpose of the buyback program is to enable the company to adapt its capital structure to its capital needs over time, and thereby contribute to increased shareholder value. The intention is currently that the shares that are bought back are to be withdrawn by decision at upcoming general meetings. During the year, 570,107 ordinary shares were acquired, corresponding to 2.6% of total outstanding shares.

On July 4, the company announced that board member Jan Frykhammar resigned at his own request from the board with immediate effect. The background to the decision was due to personal reasons.

On December 20, the company announced that Ulf Stigberg had taken the role of Chief Financial Officer. He had been working as interim CFO for the company since July 19 2023 after former CFO Ola Burmark left.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR 2023

No significant events have occurred after the end of the financial year.

30.

SUSTAINABILITY REPORT

The sustainability report refers to the financial year 2023 and covers pages 30-45.
Significant sustainability risks and their management are described in the section “Risks and risk management” on the pages 46-49

Sustainability in our business

Enea has operated for 55 years, and with a global customer and employee base providing essential software for telecom networks and cybersecurity, sustainable business is crucial to our success in the world, and in the future.

We are particularly proud of how our solutions contribute to secure and open societies through the provision of robust telecommunications that modern society has come to rely on. The collaboration we have with the Internet Watch Foundation helps us develop our services for content filtering, which allows parents to protect their children from harmful and illegal content. Our experts have also researched and shared knowledge about how to secure and protect the role of mobile communications in so-called "hybrid warfare" where networks are essential for society to function – and at the same time can be used as tools of opponents. As experts, it is also important for us to be involved in shaping industry standards and develop security solutions for mobile networks through our involvement in GSMA Signaling Intelligence Group and Mobile Ecosystem Forum.

In our sustainability efforts we work actively to identify and mitigate potential negative effects of our products and business, while reinforcing the positive impacts. For example, our Deal Committee ensures that new major contracts are reviewed both based on business value but also based on a number of ethical principles. We know that our traffic management solutions can help mobile operators reduce its energy consumption and we have our own emission targets in place which, among other things, set the ambition for carbon dioxide-neutral data centers by 2030.

A sustainable business also means that it is important for us to have financial stability in what we do. This is to be able to continue to deliver value to our shareholders and invest in the people in the company. This feels more relevant than ever in the economic climate that characterized 2023.

Anders Lidbeck
Acting President and CEO

Governance, standards and priorities

GOVERNANCE MODEL

Enea has an ESG committee that reports to the management team and is chaired by the Head of Marketing and Communications. The committee consists of representatives from the functions of finance, quality and environmental control, human resources, legal and communication.

To ensure that the sustainability perspective is integrated into the business, the relevant line organisations are responsible for the targets, including those for 2030. They are thus also managed within the company's already established governance processes and forums, where the Board of Directors is responsible for the final review and approval of targets and reporting.

STANDARDS AND GUIDELINES

Our policies and goals are in line with the UN Sustainable Development Goals (UN SDGs) and also follow the Global Reporting Initiative standards.

To continue to improve our ESG performance and track our progress, we are regularly assessed by independent specialists, including CDP for environmental sustainability and EcoVadis for responsible business practices (environmental, labour, human rights, ethics and sustainable procurement).

For increased transparency towards the market, we also report sustainability data to Nasdaq, and we are a certified Nasdaq ESG Transparency Partner.

PRIORITIZED AREAS

In 2023, we continued our work with business ethics, climate impact, health and safety in the workplace, diversity and equality. We prioritized these areas based on trends and challenges in society, the UN's global goals, market requirements, regulations and our ability to have a positive impact. Within each area, we report key figures and set targets.

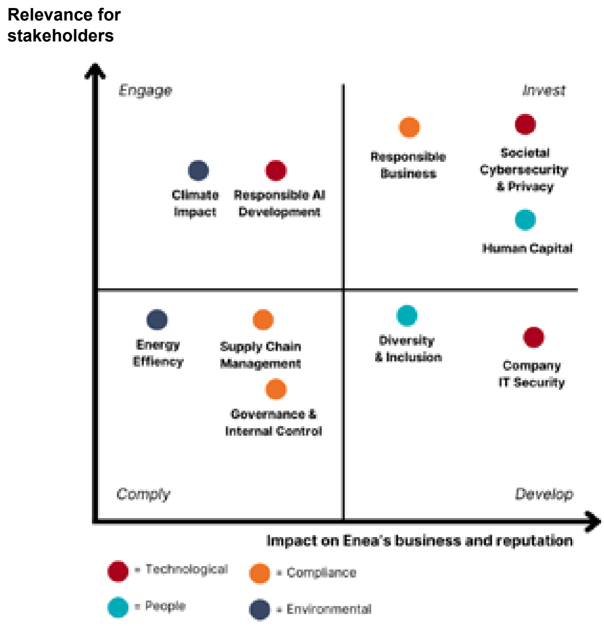
At the end of the year, a first materiality analysis was also prepared, where we present more prioritized sustainability areas. These areas of sustainability have been prioritized based on relevance and importance for stakeholders as well as the impact on Enea's business and reputation.

In Technology: Enea has always been at the forefront of technological development and it is important that we develop AI solutions responsibly, even if regulations and frameworks are not in place everywhere yet. At the same time, cybersecurity as a general issue is an important area of sustainability for us as we are an expert in the market that legislators and the industry turn to for advice and insights. As we fight cybersecurity threats on a global scale, our own IT security becomes extra important, both to work with but also to protect its details.

Within People: For Enea, the area of human capital covers work environment, well-being and development and learning, which we consider important areas to invest in with a large business impact. Diversity and inclusion have an obvious place in the matrix and is something we want to continue to develop.

Within Compliance: Responsible business, i.e. good business ethics and anti-corruption, is very important to Enea as a global company. Management of the supply chain is another area of sustainability which together with compliance and internal control gives a 360 perspective on our business.

Within Environment: Enea has measured and reported climate impact since 2021 and in the area of energy efficiency, Enea has both concrete goals for its own operations in addition to products that can make a positive contribution.



Business ethics

Our internal code of conduct describes the rules that govern our business ethics, including the responsibility for our customers, partners, employees, shareholders and other stakeholders. In our daily work, our employees must follow local laws and regulations as well as anti-corruption legislation.

Our vision to make the world's communication safer and more efficient. We believe that our most important contribution is to provide robust and secure telecom networks as a basis for economic and social development, and to engage in the development of the telecom sector in the countries that need it most. We are aware that this may present risks as the same products that perform important functions for security, child protection, revenue protection and network performance can potentially be abused. It can be excessive surveillance of groups or individuals and internet censorship. Many countries adopt laws and regulations to deal with risks to society and security, for example to limit terrorism and the spread of false information. The nature of what and how content should be handled based on both security and economic reasons varies considerably between countries and can change in line with political developments. This creates a dynamic and challenging environment to navigate.

During the year, we developed our framework for evaluating our products' impact on human rights, and conducted Human Rights Impact Assessments (HRIA) for all products with functions that can be misused or overused in such a way that they could affect human rights, including, but not limited to freedoms of opinion, information, privacy, movement, assembly and belief.

In our approach to responsible business, we work actively to identify, assess and reduce such risks. We do this, for example, through technical means such as limiting the product's functionality, enabling remote monitoring and deactivation, and through strict commercial agreements on product use. We work with independent rating data to assess whether the benefits of strengthening communication outweigh any remaining risks, and thereby be able to make informed business decisions.

To ensure that the products are used as intended, our procedures and our governance require that all potentially sensitive transactions, regardless of value, are evaluated according to the intended use case, customer and country of distribution, and are subject to review by an internal committee that includes the entire group management. During the year, we refrained from doing certain deals based on these assessments.

KEY PERFORMANCE INDICATORS

		2023	2022	2021	2020
Business Ethics Procurement, sales, accounting, marketing	Whistleblower process and portal:	yes	yes	yes	no
	Number of cases reported via whistleblower function:	0	0	0	n/a
	Code of Conduct for Suppliers:	yes	yes	yes	yes
	Internal Code of Conduct:	yes	yes	yes	yes
	Process established for employees to acknowledge that they have read and understood the Internal Code of Conduct:	yes	yes	yes	no

GOALS

- Rate our 10 largest strategic suppliers based on one sustainability perspective until 2023
- Make sure that 90 percent of all employees undergo training in the code of conduct every two years
- Achieve 100 percent compliance with our code of conduct for new strategic suppliers, and upon renewal of agreement with such external parties, at the latest in the end of 2024

Climate impact

Enea is a pure software company with no hardware products, physical logistics or production facilities. However, we are a global company with employees and customers all over the world where travel is important for both sales and maintaining an innovative and efficient business. Our data centers account for the largest share of energy consumption and climate impact and are therefore our highest priority to make efficient. Enea's goal is to have 100 percent renewable energy in our local data centers by 2030, in 2023 this figure was 56%.

In 2023, Enea's operations released a total of 976 tons of CO_2. Of these, approximately 7% comes from own direct emissions, mainly company vehicles, and 37% from direct emissions, i.e. energy consumption. More than half, 56%, of Enea's emissions come from indirect emissions such as travel and leased assets.

Enea's energy consumption decreased in 2023, primarily due to fewer offices and fewer employees in the company compared to previous years. At the same time, business trips have increased in 2023 as a result of the pandemic's effects diminishing, which is seen above all in the Scope 1 emissions.

Due to a calculation error and supplementary information received after the publication of the previous year's report, updated figures for energy intensity and scope 3 emissions for 2022 are reported here. Enea began measuring its emissions in 2021.

Metrics for 2023 include Enea's operations in Austria, Canada, Croatia, France, India, Ireland, Japan, Malaysia, Romania, Singapore, Sweden, South Africa, the Czech Republic, Great Britain, Germany and the USA. Metrics for 2022 and 2021 include Enea's operations in Austria, Croatia, France, India, Ireland, Japan, Malaysia, Romania, Singapore, Sweden, Great Britain and the USA. Metrics for 2020 include Enea's operations in Austria, China, Croatia, France, India, Ireland, Japan, Malaysia, Romania, Singapore, Sweden, Great Britain and the United States.

KEY PERFORMANCE INDICATORS

		2023	2022*	2022**	2021	2020
Climate Impact Energy consumption, business travel, leased assets	Energy consumption, MWh	2605	3 018	3 018	2 625	2 546
	Share of renewable energy	56%	55%	55%	46%	40%
	Energy intensity, MWh/sales, SEK m	2,85	3,25	3,02	2,69	2,78
	Scope 1 (corporate cars) - total CO_2 emissions, ton	71	24	24	10	-
	Scope 2 (energy consumption) - total CO_2 emissions, ton	361	389	389	170	-
	Scope 3 (business travels and leased assets) - total CO_2 emissions, ton	547	646	461	619	-
	Total CO_2 emissions, ton	976	1058	874	799	
	Approved Environmental Policy	yes	yes	yes	yes	yes

**Revised figures for 2022. **Reported figures for 2022 in the 2022 report.*

GOALS

- CO_2e neutral data centers by 2030 in cloud-based data centers and in our on-premise data centers.
- 100 percent renewable energy in our on-premise data centers by 2030

Working environment

Our ability to be successful depends on how well we manage to attract and retain both general and top talent in a highly competitive market where technology and security experts are in demand across many industries. Here, our corporate culture and work environment are decisive. We strive for the work to be rewarding and we want to provide conditions for everyone to contribute and be able to reach their full potential.

Enea complies with collective agreements for employees in the countries concerned. To contribute to the well-being and health of our employees, we offer (in accordance with local tax and employment conditions and social benefits) benefits that include health insurance and business incentives.

We are proud that in 2023 Enea reached the set goals for employee engagement and staff turnover, and our ambition is to maintain this in 2024.

To guarantee a safe, healthy and rewarding work environment, the basic human rights and the rights of all employees are part of our internal code of conduct, for example:

- the right to personal privacy
- freedom of association and collective agreements
- protection against discrimination, forced labor and child labour
- respect for health and safety in the workplace
- the right to safely report behavior that is considered to be in violation of the law
- our internal code of conduct, including a secure and anonymous whistleblower function

Enea has an employee representative on the board, who participates in all board meetings and represents the employees' interests.

KEY PERFORMANCE INDICATORS

		2023	2022	2021	2020
Working Environment	Employee engagement index	82%	80%	82%[1]	-
	Attrition rate (share of employee resignations in the year)	11%	17%	20%	-
	Collective bargaining agreements	yes	yes	yes	yes

[1] *In 2021, employee satisfaction was measured rather than engagement, which is measured in the current annual employee survey.*

GOALS

- Engagement index of at least 82%
- Staff turnover of max 12%

Diversity and Gender Equality

Enea is an international multifaceted organization, partly because our business is global. There is an internal code of conduct that contains guidelines to ensure non-discrimination.

With a multicultural workforce, diversity is already an important strength of our organization, and it makes us more creative, improves our decision-making and strengthens our bottom line. We currently have more than 30 nationalities in our workforce and 6 nationalities in the management team. Looking at our entire workforce, we strive to improve our gender distribution because it strengthens our ability to innovate, competitiveness and business results.

KEY PERFORMANCE INDICATORS

		2023	2022	2021	2020
Diversity and Gender Equality	Share of women in total workforce[3]	18%	19% [1]	21% [2]	23%
	Share of female leaders [3]	14%	13% [1]	18% [2]	-
	Share of women in Executive Management Team[3]	33%	29%	0	-
	Share of women on Board of Directors[3]	50%	43%	43%	0
	Number of nationalities represented in Executive Management Team	6	5	5	5

[1] *The basis for 2022 does not include Software Development Services which were divested that year.*
[2] *The base for 2021 does not include AdaptiveMobile Security, which was acquired that year.*
[3] *As of 31 December 2023.*

GOALS

- Increase female leaders and overall workforce to 30 percent by 2030 from the 2022 baselines of 13 percent female leaders and 19 percent female workforce

The UN's global goals for sustainable development

TECHNOLOGY FOR GOOD PURPOSES

Enea's software enables network operators, system providers and service providers to optimize and protect information and communication networks and to develop innovative services based on these networks.

Some areas where Enea's products and services contribute are, for example:

- Data traffic management such as optimization of video, which provides energy savings.
- Traffic classification that enables different types of cybersecurity solutions
- Security solutions for how messages are handled, protecting subscribers from fraud

Enea continuously contributes expert knowledge to the industry. During 2023, we have shared reports, blog posts and insights in, for example, energy efficiency in Wi-Fi, protecting children online, hybrid warfare and countering spam and fraud.

Through our activities, we contribute to promoting the goals for sustainable development. We have a clear impact in three areas: 1) efficient material and energy use for information and communication networks, 2) making digitization possible and 3) cybersecurity.

Overview Key figures & Goals

We have selected a number of key figures to follow up the results of the work in the prioritized areas (see table below). For each priority area, we refer to the UN's Sustainable Development Goals.

Priority area	Goals	Enea Sustainability Goal	KPI	2023	2022*	2022**	2021	2020
Business Ethics Procurement, sales, accounting, marketing	UN SDG: Target 16.5 (UN SDG)	Rate our 10 largest strategic suppliers based on one sustainability perspective until 2023 Make sure that 90 percent of all employees undergo training in the code of conduct every two years Achieve 100 percent compliance with our code of conduct for new strategic suppliers, and upon renewal of agreement with such external parties, at the latest in the end of 2024	Whistleblower process and portal:	yes		yes	yes	no
			Number of cases reported via whistleblower function:	0		0	0	n/a
			Code of Conduct for Suppliers:	yes		yes	yes	yes
			Internal Code of Conduct:	yes		yes	yes	yes
			Process established for employees to acknowledge that they have read and understood the Internal Code of Conduct:	yes		yes	yes	no
Climate Impact Energy consumption, business travel, leased assets	UN SDG: Target 7.2, 9.4, 9.5, 13	• CO2e neutral data centers by 2030 in cloud-based data centers and in our on-premise data centers. • 100 percent renewable energy in our on-premise data centers by 2030 • CO2e neutral in our activities and supply chain by 2040	Energy consumption, MWh	2605	3 018	3 018	2 625	2 546
			Share of renewable energy	56%	55%	55%	46%	40%
			Energy intensity, MWh/ sales, SEK m	2,85	3,25	3,02	2,69	2,78
			Scope 1 - total CO2 emissions, ton [5]	71	24	24	10	-
			Scope 2 - total CO2 emissions, ton [6]	361	389	389	170	-
			Scope 3 - total CO2 emissions, ton [7]	547	646	461	619	-
			Approved Environmental Policy	yes	yes	yes	yes	yes
Working Environment	UN SDG: Target 3.4, 3.8, 8.5, 8.8	Engagement index of at least 82% Staff turnover of max 12%	Employee engagement index	82%		80%	82%	-
			Attrition rate (share of employee resignations in the year)	11%		17%	20%	-
			Collective bargaining agreements [9]	yes		yes	yes	yes
Diversity and Gender Equality	UN SDG: Target 5.1, 5.5, 8.5, 8.8, 10.2, 10.3	Increase female leaders and overall workforce to 30 percent by 2030 from the 2022 baselines of 13 percent female leaders and 19 percent female workforce	Share of women in total workforce	18%		19%	21%	23%
			Share of women managers	14%		13%	18%	-
			Share of women in Executive Management Team	33%		29%	0	-
			Share of women on Board of Directors	50%		43%	43%	0
			Number of nationalities represented in Executive Management Team	6		5	5	5

COMMENTS ON SUSTAINABILITY DATA

The 2023 emission figures may be revised as a number of suppliers were unable to report accurate emission data for the year in time for the report's publication. In 2021, the company Adaptive Mobile Security was acquired, whose sustainability data is included in the report starting in 2022. In 2022, the subsidiary Software Development Services was divested, whereupon its sustainability data is not included in the 2022 report. The whistleblower process and portal were introduced in 2021. 2021 was also the first year that Enea began measuring emission data .

For more detailed information, see the respective focus area.

**Revised figures for 2022. **Reported figures for 2022 in the 2022 report.*

Enea's contribution to safer mobile networks in 2023

EXPERT OPINION TO COMBAT CRIME

In line with our vision to make the world's communications safer and more efficient, we made a number of efforts in 2023. One of these was to provide expertise in the investigation "Ghost in the network" which was done by Lighthouse reports, an internationally respected consortium of investigative journalists. The investigation was about companies that offer surveillance services to intercept the mobile network and facilitate crime, a specific case that is highlighted is the murder of a Mexican journalist."

SECURING MOBILE NETWORKS DURING CONFLICT

The war in Ukraine has highlighted the dual roles of mobile networks. They play an important role in society for education, access to health care services, trade, transportation, financial transactions and gathering and distribution of news and information. During ongoing conflict, however, mobile networks can be turned into a weapon of hybrid warfare and used to spread disinformation, identify potential military targets or restrict access to essential services. Enea has highlighted this in a number of reports during 2023. Enea is an active member of the GSMA Signaling Intelligence Group where, by contributing to the guidelines for the GSMA Fraud & Security Groups, we help operators reduce their exposure to signaling attacks (FS.21 Interconnect Signaling Security Recommendations). Our software and intelligence services support around 100 mobile networks and protect more than 4.5 billion subscribers every day.

AWARDS AND PRIZES

Cyber Defense Magazine named our innovative embedded DPI technology, Enea Qosmos ixEngine, as the winner of the Global InfoSec Award 2023 in the Best Product for Embedded Security category. Jean-Pierre Coury (SVP and Head of Embedded Security) and Laura Wilber (Strategic Marketing Manager) accepted the award at the annual RSA conference in San Francisco.

ADVISER TO THE EUROPEAN PARLIAMENT

The PEGA committee is the European Parliament's initiative to investigate various cybersecurity threats to Europe. Enea's expert Rowland Corr was invited to the committee in 2023 to give his and Enea's view on the matter. Rowland talked about the still major security risks in mobile networks today and how the EU could contribute to meeting and counteracting them.

Enea's contribution to energy efficiency in 2023

The telecom industry accounts for up to 2% of global energy consumption, and mobile data traffic will only get bigger and bigger. Therefore, it is of utmost importance to work actively with energy efficiency.

PROVEN ENERGY SAVING EFFECT OF ENEAS PRODUCTS

Studies from 2022 show that our traffic management solutions can help an average mobile operator reduce their energy consumption by over 10 percent. Video streaming accounts for most data traffic and is expected to continue to grow in the future. Along with the rapid development of AR and VR, improving the efficiency of video streaming without compromising the user experience has never been more important than now.

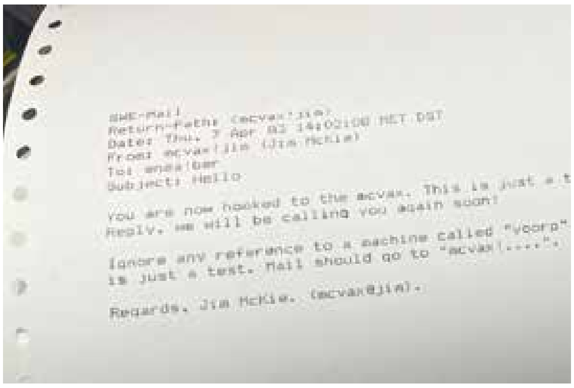
ENEA INVITES THE INDUSTRY TO TALKS ABOUT RESPONSIBILITY FOR TRAFFIC MANAGEMENT

A video contains much more data than, for example, text or sound, and currently video accounts for 60% of all mobile data traffic. In the future, however, video is expected to increase to up to 90% of all mobile data traffic on the 5G network. On top of that, the rapid development in both VR and AR will affect the amount of data traffic. Right now, the responsibility for managing and streamlining data traffic lies with the operators, but it is being debated whether Google, Netflix and Meta should also bear parts of the responsibility. In the spring of 2023, Enea took the initiative for a digital event entitled "Video shall not cost the planet" where this, and much more, was discussed. Hosted by the Mobile Video Industry Coucil (MOVIC), more than 90 actors from around the world participated, including Orange, Deutsche Telekom and STC.

Enea gets involved in the local community

ENEA IN SWEDEN'S HISTORY OF TECHNOLOGY

Our employees in Sweden celebrated the 40th anniversary of Enea receiving Sweden's first email. To commemorate this milestone, we donated the terminal that was used on that occasion to the Tekniska Museet (Technical Museum) in Stockholm. It's a proud moment for us to contribute to preserving and sharing the technological heritage of our country.



RUNNING FOR CHARITY

The staff at Enea's Belfast office ran in 2023 in aid of a local charity working with the Belfast Children's Cancer Hospital. In 2022, they ran for a local charity that works with homelessness.

EU taxonomy regulation

The EU Taxonomy Regulation is an EU-wide classification system for identifying and verifying sustainable economic activities. Although the taxonomy is relatively new, it has already proven very useful as a tool to eliminate greenwashing and effectively direct private and public investment to the projects with the greatest impact.

The regulation aims to achieve this by first focusing on the industries that have the greatest impact on sustainability issues - positive or negative - and then gradually working on the specific issues within the framework of ESG that needs to be addressed, initially with a focus on mitigation and adaptation to climate change.

In order to apply the EU taxonomy, a company must first determine, for each environmental objective, whether its operations are covered by the regulations. If an activity is covered by the regulations, i.e. is "eligible" according to the terminology of the taxonomy, further analysis is required to determine whether any of the company's products within this activity are taxonomy aligned, i.e. meet the specific criteria in the regulatory framework. In other words, the company must decide whether the products:

1. Meets the specific criteria for a particular objective, for example that a product is mainly developed to meet an objective such as climate change mitigation.
2. Does not have negative impact on some other goals, such as sustainable water use or pollution prevention. If these criteria as well as the social criteria in the minimum protection of the taxonomy are met, the activity is considered "aligned" according to the EU taxonomy.

THE EU TAXONOMY – SCOPE AND CRITERIA

Contributes substantially to one or more of the environmental objectives

Does not do any significant harm on any of the other environmental objectives

Complies with mimimum safeguards related to UNGP, OECD Guidelines and ILO Conventions on group level

1. CLIMATE CHANGE MITIGATION
2. CLIMATE CHANGE ADAPTION
3. THE SUSTAINABLE USE AND PROTECTION OF WATER AND MARINE RESOURCES
4. THE TRANSITION TO CIRCULAR ECONOMY
5. POLLUTION PREVENTION AND CONTROL
6. THE PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS

For the 2023 financial year, Enea is required to disclose financial indicators with regard to: 'eligibility' and 'aligned' to objectives 1 and 2 and the 'eligibility' of Objectives 3 to 6. 'Alignment' with environmental objectives 3 to 6 shall be reported from financial year 2024.

A final step is to calculate how much of the business's turnover and capital and operating costs are related to taxonomy aligned activities, providing guidance for sustainable investment decisions.
With external support, we analyzed potentially "eligible" activities within the two activity categories "8.1. Data processing, hosting and related activities" and "8.2 Computer programming, consulting services and related activities". According to the specifications of the EU taxonomy, only category 8.2 was deemed relevant because our core business is software development for telecom and cybersecurity. The analysis on however, the next level showed that within business category 8.2 we currently have no "eligible" products, which meant that no further assessment was necessary.

As for "eligibility" to the climate goal "Limiting climate change", “Data-driven solutions for reduced greenhouse gas emissions” that limit climate change, activity category 8.2 is relevant to us, but we currently have no products that are “eligible”.

Although many of our solutions can help reduce greenhouse gas emissions, no one agrees of those with the description to be "mainly developed for and primarily aimed at enabling reductions in greenhouse gas emissions" (in the aforementioned example of traffic management, cost savings and user experience are equally important).

Regarding "eligibility" for the climate adaptation goal "Computer programming, consulting services and related activities" activity category 8.2 is again relevant for us, but activities that help customers achieve the climate adaptation goal, so-called enabling activities, are not "eligible". Only internal adaptation efforts, so-called adaptation activities, are "eligible". During 2023, we have made no measurable capital or operational investments in internal adaptation activities.

The following tables summarize our reporting in accordance with the EU taxonomy in 2023. In relation to the 2023 financial statements, the absolute turnover here corresponds to the net sales. Taxonomy CapEx is the Group's total capital expenditure in 2023, which is presented in the line of additions, excluding goodwill, in note 10 (Intangible assets) and note 11 (Inventories, tools and installations) and in note 7 (Leases). OpEx includes costs for R&D, maintenance and repair of buildings.

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES[1]

	Nuclear and fossil fuel related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil fuel related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

[1] *Standard templates for the disclosure referred to in Article 8(6) and (7) of the delegated regulation (EU) 2021/2178*

KPIs OF NON-FINANCIAL UNDERTAKINGS

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx. Year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy aligned proportion of aligned (A.1) ore eligible (A.2), year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK M	%	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	E	
Of which Transitional		0	0%	0%						-	-	-	-	-	-	-	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(g)																			
				EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)											
Turnover of Taxonomy-eligible but not environmentally sustain-able activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%									0%		
A. Turnover of Taxonomy eligi-ble activities (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%									0%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

TurnOver of of Taxono-my-non-eligible activities		912,7	100%
Total		912,7	100%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx. Year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy aligned proportion of aligned (A.1) ore eligible (A.2), year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK M	%	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	E	
Of which Transitional		0	0%	0%						-	-	-	-	-	-	-	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(g)																			
				EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)											
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%									0%		
A. CapEx of Taxonomy eligible activities (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%									0%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities		112,0	100%
Total		112,0	100%

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2023

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx. Year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Taxonomy aligned proportion of aligned (A.1) ore eligible (A.2), year 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		SEK M	%	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	J/N/ N/ EL (b) (c)	%	J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%		
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	E	
Of which Transitional		0	0%	0%						-	-	-	-	-	-	-	0%		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(g)																			
				EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)	EL; N/ EL (f)											
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%									0%		
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%									0%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-non-eligible activities		583,7	100%
Total		583,7	100%

46.

RISKS AND RISK MANAGEMENT

Enea is exposed to a number of risks that could affect the group's results. The company continuously identifies and manages these risks. Those deemed to have most importance are described below and have been divided into the categories of operational and industry-related and financial risks.

Enea mainly operates in telecom and cybersecurity. Prevailing uncertainties in the outside world, such as the war in Ukraine, energy prices, inflation, interest rates as well as geopolitical tensions in general, affect some customers' risk appetite and willingness to invest. For Enea, this may imply that projects are delayed or not carried out. At the same time, the underlying driving forces for telecom remain, which means a focus on security, virtualization, 5G, and increased network capacity.

GLOBAL ECONOMIC CONDITIONS

OPERATIONAL AND INDUSTRY RELATED RISKS

Enea is dependent on growth in mobile communications, the economic development and the growth of the largest customers. Most of the revenue comes from customers in the telecom industry, which means that the macroeconomic risks are not only linked to the economy in general, but also to the development of the telecom industry.

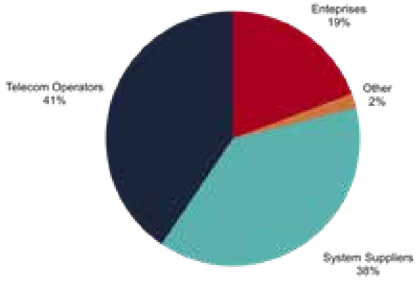
If the customers' financial ability to invest decreases, it may have a negative impact on the company's operations and financial position.

COMMENT

A weakening economy mainly has the effect of reducing the customers' willingness to invest, which can lead to lower volumes and difficulties winning new contracts for Enea's products and services.

A weakening economy can also affect customers' sales, which in turn has a negative impact on the part of Enea's revenue that is dependent on volume or capacity utilization.

EXPOSURE



CUSTOMER AND CONTRACT STRUCTURE

Enea's customers are mainly major mobile operators and system suppliers in communication and security. A large part of the revenue comes from a limited number of key customers.

Enea's revenue mainly consists of revenue from licenses, maintenance and support, and services. Enea is dependent on customers' continued investments in capacity, efficiency, and new technology.

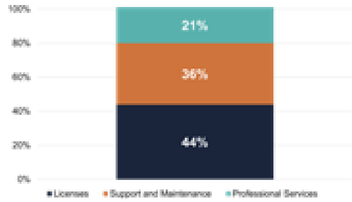
Revenue is partially volume dependent and fluctuates with customers' production volumes.

License revenue consists of both one-off income and income of a recurring nature. The initial customer agreements are normally valid for a period of 3 to 5 years.

Agreements with capacity limitations and maintenance and support services are continuously extended. Prices are generally fixed during the contract period.

Revenue varies between quarters and financial years, depending on when major contracts are signed and delivery takes place.

In 2023, 46 (55) percent of the company's revenue was generated by the 10 largest customers. The percentage of recurring revenue has increased during the year and accounts for approximately two-thirds of Eneas' revenue.



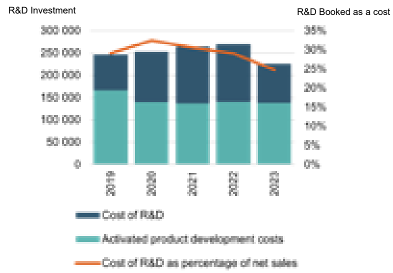
PRODUCTS AND TECHNOLOGY

Enea's business strategy is based on developing new products and improving existing solutions, which means significant investments. In 2023, an efficiency improvement and revaluation of intangible assets was carried out. This updated valuation led to a decision to reduce investments in own product development.

Investments are made in markets with potential for growth and future profitability, and after careful analysis. Investments are prioritized within cloud-based products aimed at data management, security, mobile video traffic, and 5G.

The company expects a continued decline in sales within Operating Systems, which is due to key customers increasing the use of open source code in their solutions.

At the end of the year, the value of capitalized development costs amounted to SEK 219.7 million (338.3).



SKILLS MANAGEMENT

Enea's success is largely dependent on the company's ability to recruit, develop, and retain qualified staff.

There is strong competition for qualified personnel in the IT and telecom industry.

The attrition rate for the group as a whole during the year amounted to 11.2 percent (17.5).

PRODUCT LIABILITY, INTELLECTUAL PROPERTY RIGHTS, AND LITIGATION

Enea's products are important components in customers' solutions, and inaccuracies could lead to deteriorated customer relations and claims for damages. Furthermore, there is a risk that Enea's intellectual property rights are exposed to infringement or that Enea's products infringe on the intellectual property rights of other companies.

Enea is insured against claims for damages and assesses that the company has sufficient protection and that the risk of damages is limited. Enea also has insurance cover should the company's products infringe on another party's patent or copyright. Enea continuously engages legal expertise to protect its intellectual property rights and reduce the risks of intellectual property infringement.

Regarding litigation, court proceedings, interpretation of local legislation or arbitration, Enea AB or its subsidiaries are currently involved in a small number of disputes. The company's judgement is that none of the current disputes have a negative impact on the company's financial provision, and no allowance has been made for a negative outcome. Disagreements on contract application, or a court ruling against the company could have a negative impact on the company's financial position.

ACQUISITIONS/ DIVESTMENTS

Through carefully selected acquisitions and divestments in recent years, Enea has established a position as a software supplier to telecom operators and system vendors. The company is dependent on these acquisitions continuing to develop in accordance with the assumptions about growth and market position that were made at the time of the respective acquisitions.

Enea carried out a write-down of intangible assets with a total of SEK 486 million, attributable to goodwill and balanced development costs.

Acquired intangible assets at the end of 2023 amounted to 1,622.6 (2,116.6) MSEK (see further note 10).

<table>
<tr><th></th><th>FINANCIAL RISKS</th><th>COMMENT</th><th>EXPOSURE</th></tr>
<tr><td>CURRENCY</td><td>Currency risk implies that the value of financial assets/liabilities can vary due to changes in exchange rates.</td><td>Enea is an international company and the main part of revenue is generated in US dollars and euro. The business is mainly carried out in foreign subsidiaries where income and expenses occur in local currencies.</td><td>During the year, a total of EUR 1.5 million (5) was hedged. There were no outstanding derivatives at the end of 2023.

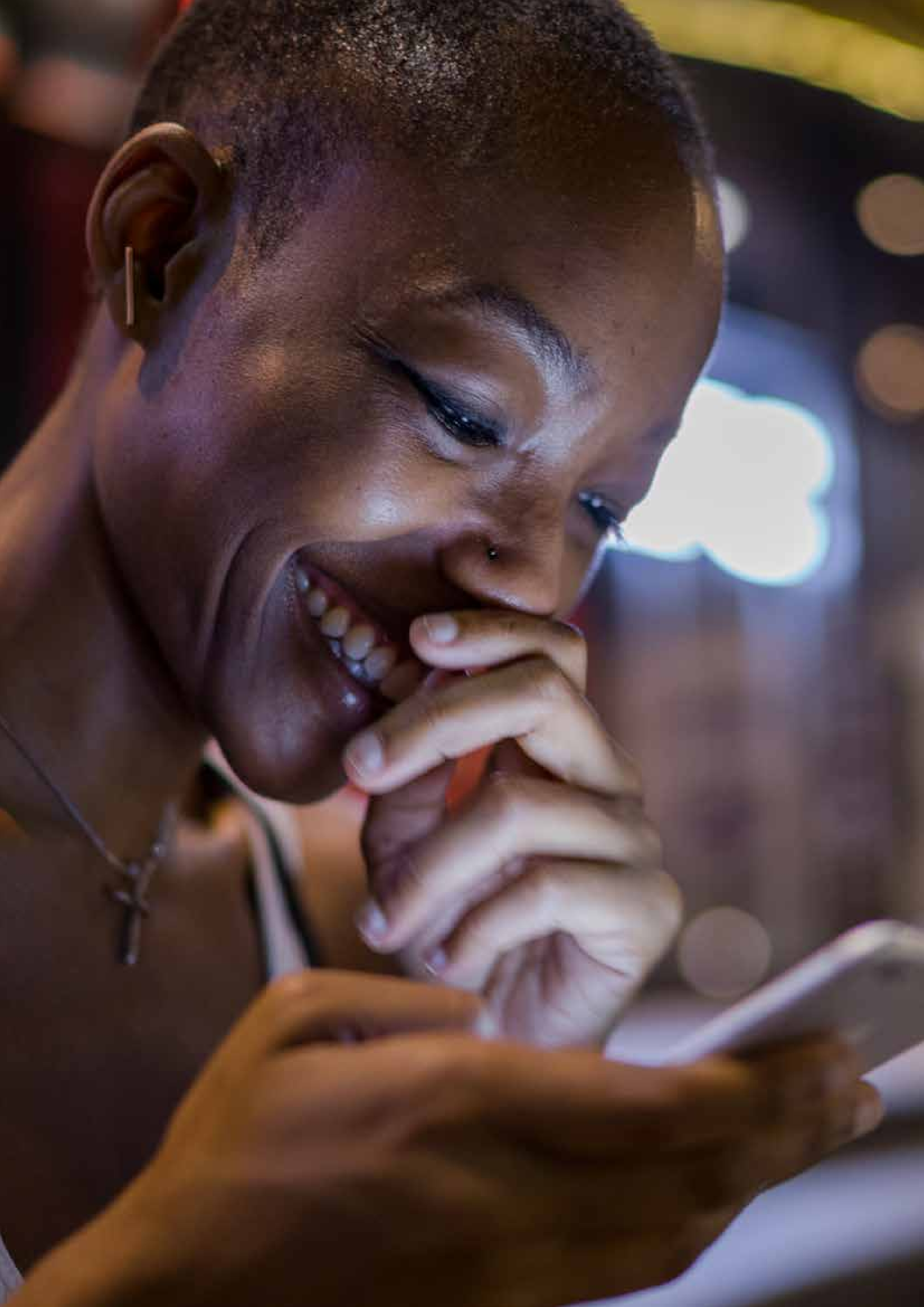
If the Swedish krona had strengthened/ weakened by 5% on average in relation to the US dollar with all other variables constant, the year's revenue would have been SEK 18 million lower/higher. The corresponding amount against the euro is SEK 23 million.</td></tr>
<tr><td>LIQUIDITY</td><td>Liquidity risk refers to the risk of not being able to fulfill payment obligations without the cost of obtaining means of payment increasing significantly. Funding risk, refinancing risk and market liquidity risk are sub-components of liquidity risk.</td><td>Since April 2022, Enea has a new facility agreement with a facility with a fixed term of EUR 40 million and a revolving facility of SEK 350 million with DNB Bank ASA and AB Svensk Exportkredit as lenders.
The loan of EUR 40 million with a fixed term is due for payment in full in April 2025.</td><td>Available cash and unused credit facilities at the end of 2023 amounted to SEK 655 Mkr.

The facilities contain customary conditions regarding debt service ratio and net debt/ EBITDA. These conditions were met at the end of the year.</td></tr>
<tr><td>INTEREST RATES</td><td>Interest rate risk means that the value of financial instruments can vary due to changes in market interest rates.</td><td>Enea's interest payments mainly occur quarterly. The margin that the company pays in addition to the underlying market interest rate is governed by predetermined performance measures.</td><td>At the end of 2023, the utilized financial facilities amounted to SEK 471 million.

If the underlying policy rate changes by 1 percent on average with all other variables constant, the interest cost would increase/ decrease by SEK 5 million.</td></tr>
<tr><td>CAPITAL MANAGEMENT</td><td>The Group's goal regarding capital management is to have a stable financial position that ensures the Group's ability to continue its operations and generate returns for shareholders and benefit other stakeholders.</td><td>This is achieved by maintaining an optimal capital structure to keep both costs and capital down. To maintain or adjust the capital structure, the Group can decide on dividends to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce liabilities.</td><td>The Group assesses the capital on the basis of the net debt, which at the end of 2023 amounted to SEK 209 million.

Under the terms of the main loan facilities, the Group is obligated to meet customary financial loan terms, such as debt service ratio and net debt/EBITDA. The Group has fulfilled the loan conditions throughout the period.

The Board of Directors proposes no dividend for 2023.</td></tr>
<tr><td>CREDIT RISKS</td><td>Credit risk implies that a party in a financial transaction cannot fulfill an obligation. The main credit risk for Enea is outstanding accounts receivable as well as processed uninvoiced service assignments. (Contract Assets)</td><td>The company's customers are mainly international or locally well-established companies that historically have demonstrated good ability to pay. The customers are distributed over several different countries and markets where differences in payment patterns and currency restrictions occur.</td><td>During the year, a SEK 17.9 million (2.0) allowance was created for doubtful debt, which during the period changed as follows:
<table><tr><td>Opening balance, January 1, 2023:</td><td>10,6</td></tr><tr><td>Repayment of doubtful debt:</td><td>-1,1</td></tr><tr><td>Write-off of doubtful debt:</td><td>-</td></tr><tr><td>Currency effect:</td><td>-0,8</td></tr><tr><td>Allowance for doubtful debt:</td><td>17,9</td></tr><tr><td>Closing balance, December 31, 2023:</td><td>26,7</td></tr></table>During the year, the result was burdened by a write-down of contract assets of SEK 41.7 million, as a result of a prematurely terminated customer project.</td></tr>
<tr><td>CLIMATE CHANGE</td><td></td><td>Enea's operations are not decisively affected by climate change. Enea identifies risks that may affect the company financially or strategically in the short and long term as well as the company's ability to deliver products and services to customers. Enea has evaluated and assessed risks linked to climate change. These risks include changes, reputation, bodily and material damage, supply chains and commitments to customers. The conclusion is that the company is not currently affected by risks in any of these areas.</td><td></td></tr>
</table>



50.
CORPORATE GOVERNANCE REPORT

Enea is a Swedish limited company with its headquarters in Stockholm, Sweden. The company is listed on Nasdaq Stockholm and the group's corporate governance is based on Swedish legislation, as well as the rules and recommendations issued by organizations such as the Swedish Corporate Governance Board and Swedish Securities Council.

GOVERNANCE MODEL

Enea's governance, management, and control are divided between the shareholders at the Annual General Meeting, the Board of Directors, and the CEO in compliance with the Swedish Companies Act and the Board of Directors' Rules of Procedure. During the financial year, Enea complied with the Swedish Code of Corporate Governance issued by the Swedish Corporate Governance Board, and this Corporate Governance Report has been prepared accordingly. This corporate governance report has been subject to statutory review.

1. SHAREHOLDERS

Enea's shares are listed on Nasdaq Stockholm's Mid Cap list. According to the share register maintained by Euroclear Sweden, there were 21,858,231 shares as of December 31, 2023, including 21,615,231 ordinary shares and 243,000 C shares. On the same date, the share capital was SEK 24,705,525. Enea's holding of treasury shares amounted to 813,107 shares, including 570,107 ordinary shares and the aforementioned 243,000 C shares, or 3.7 percent of all shares. The largest shareholders are Per Lindberg 34.1 percent, Första APFonden 6.9 percent, C WorldWide Asset Management 4.9 percent., Handelsbanken Fonder 3.9 percent. The 20 largest shareholders hold a total of 71.5 percent of the company's capital.

ANNUAL GENERAL MEETING

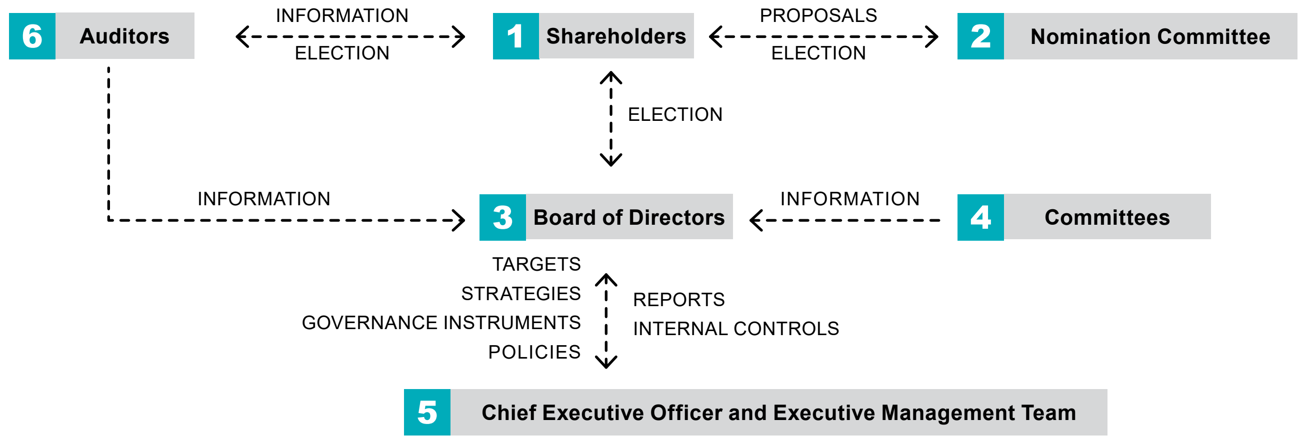
The Annual General Meeting, or where applicable, Extraordinary General Meetings, is Enea's chief decision-making body. All shareholders are entitled to participate in the Annual General Meeting (either in person by proxy through power of attorney) and have a matter considered. The AGM resolves on issues including:

- any amendment of the Articles of Association
- election of the Board of Directors, Chairman of the Board and Auditor
- adoption of Income Statements and Balance Sheets
- appropriation of the company's profit or loss and discharging Board members and the Chief Executive Officer from liability
- principles for appointing a Nomination Committee
- guidelines for remuneration of senior executives

A two-thirds voting majority is required for resolutions to amend the Articles of Association. The AGM was held on May 4, 2023, in Stockholm. Its resolutions included:

- adoption of Income Statement and Balance Sheet of the parent company and group
- discharging the Board members and Chief Executive Officer from liability
- that no dividend would be payable for the financial year 2022
- approving fees for Directors and Auditors
- approving the Board of Directors' remuneration report for the financial year 2022
- approving the Board of Directors' proposed guidelines for remuneration of senior executives
- approving the Nomination Committee's proposal on the principles for appointing a new Nomination Committee
- authorizing the Board of Directors to decide on the purchase and transfer of treasury shares in accordance with the Board's proposal
- authorizing the Board of Directors to decide on new share issues to finance continued growth and expansion
- appointment of the following Directors:
  i. re-election: Anders Lidbeck, Kjell Duveblad, Jan Frykhammar, Mats Lindoff, Åsa Schwarz and Charlotta Sund.

GOVERNANCE MODEL - OVERVIEW



Anders Lidbeck was elected Chairman of the Board. The Board of Directors appointed Kjell Duveblad as Chairman of the Board on July 3 for the time that Anders Lidbeck at due to acting CEO position not also may be the Chair of the Management Board. Earlier Board member Jan Frykhammar resigned from the Management Board, at its own request, on July 4. Öhrlings PricewaterhouseCoopers AB was re-elected Auditor.

The minutes from the AGM including decision-support documentation has been published at the company's web-site (www.enea.com) in the Investors section.

2. NOMINATION COMMITTEE

The AGM decides on the principles for appointing a new Nomination Committee. The Nomination Committee shall consist of represent-atives of two major shareholders and the Chairman of the Board. The Nomination Committee may, however, consist of representatives of three or four major shareholders and the Chairman of the Board, if the Chairman of the Board finds that such an interest exists with the major shareholders in connection with the formation of the Nomination Committee. The Chairman of the Board is instructed to contact the four largest registered shareholders in terms of votes as of September 30 and ask them to appoint one member each. If more than two of these shareholders do not wish to appoint a member, additional shareholders in order of size are asked to appoint a representative in the Nomination Committee. A shareholder representative should be appointed Chairman of the Nomination Committee. The names of the members of the Nomination Committee must be published in the company's interim report for the first three quarters of the year. The term of office for the appointed Nomination Committee shall run until a new Nomination Committee takes office. If a significant change occurs in the ownership structure after the Nomination Committee has been constituted, and no later than three months before AGM, the composition of the Nomination Committee must be changed in accordance with the principles above. The Nomination Committee must prepare and submit to the AGM a proposal for the Chairman at the AGM, election of the Chairman and other members of the company's Board, Board remuneration divided between the Chairman and other members as well as the principles for possible compensation for committee work, election and remuneration of the auditor and deputy auditor (if applicable) as well as decisions on principles for the appointment of a new Nomination Committee. The Nomination Committee shall have the right to charge the company with costs for, for example, recruitment consultants and other costs required for the Nomination Committee to be able to fulfill its mission.

The Nomination Committee for the Annual General Meeting 2024 has the following members: Per Lindberg (own mandate), Niklas Johansson (Han-delsbanken Fonder), Anna Magnusson (Första AP-fonden), Henrik Söderberg (C WorldWide Asset Management) and Kjell Duveblad (Chairman of the Board of Enea AB). The Nomina-tion Committee has appointed Per Lindberg as its Chairman, and the Nomination Committee's complete proposals for the AGM 2024, with their reasoning, is published in the invitation to the Annual General meeting. The invitation is published on the compa-ny's website (www.enea.com) in the Investors section.

3. BOARD OF DIRECTORS

Pursuant to its Articles of Association, Enea's Board of Directors should be elected by the AGM and consist of five to seven members, and a maximum of seven deputies. Enea's Board of Directors has been appointed in accordance with the Swedish Code of Corporate Governance and the company's diversity policy. Consideration has been given to the need for versatility, skills, and experience, which in different ways, contribute to Enea's progress, and for the requirement to endeavor for even gender division. Consideration has also been given to Directors being able to reserve the necessary time for their service with the company. The composition of the Board of Directors reflects this, and most Directors have knowledge and long-term experience of the sectors that Enea operates in.Until July 4, the Enea's Board of Directors had six elected members, thereafter Enea's Board of Directors consisted of five members elected by the Annual General Meeting.

The CEO and CFO participate at every Board meeting and report on the company's business situation, prospects, financial position and events of material significance. Other employees also present reports at Board meetings when necessary. The CFO also serves as the Board's secretary. The CEO does not participate in the parts of Board meetings that discuss the relationship between the CEO and the company. The work of the CEO and other senior executives is appraised at least yearly.

BOARD OF DIRECTORS' INDEPENDENCE

According to the Swedish Code of Corporate Governance, a majority of Board members elected by the AGM should be independent of the company and Management. A minimum of two of these should also be independent of the company's major shareholders.

All Board members were judged as independent in respect of the company and Executive Management Team and major shareholders. For information on Board members and their shareholdings, see page 53.

THE WORK OF THE BOARD OF DIRECTORS

The Board of Directors' rules of procedure are adopted at the Board meeting following election after the AGM each year and are revised only in special circumstances. Apart from the Board of Directors' duties, the rules of procedure also state the Board of Directors' responsibilities and segregation of duties. The Board of Directors also issues instructions for the President. At the Board meeting following election, staffing of the Board's Audit, Remuneration and Technology committees is also approved. Apart from the Board meeting following election, the Board should hold at least six meetings per year. The Board of Directors should manage the company's affairs in the interests of the company and of all shareholders.
The duties of the Board include:

- formulating business targets and strategy
- appointing, appraising, and where necessary, dismissing, the CEO
- implementing effective systems for monitoring and controlling the company's operations
- ensuring satisfactory control over the company's compliance with laws and other regulations that apply to the company's operations
- formulating the necessary ethical guidelines for the company's conduct
- continuously evaluating strategic and complementary acquisitions
- ensuring corporate communication features openness and is relevant and reliable

4. AUDIT COMMITTEE

The overall responsibilities of the Board cannot be delegated, but the Board has constituted an Audit Committee to go to greater depth and consult on critical issues as outlined below. At the board meeting following election after the AGM Jan Frykhammar was appointed Chairman and Kjell Duveblad as a member of the Audit Committee. Enea's CEo, CFO and Auditor are co-opted to the Audit Committee's meetings that are normally held once per quarter. Jan Frykhammar was chairman in the audit committee until then that he resigned from the board on July 4. The board appointed Kjell Duveblad as new chairman and Åsa Schwarz to new member of the audit committee.

Minutes are taken at Audit Committee meetings, which are reported to the Board. The Committee is responsible for consulting on the Board's work in terms of:

- quality-assuring the company's financial reporting
- staying informed on the orientation and scope of the audit
- discussing coordination between the external audit and the company's internal control functions, and view of the company's risks
- setting guidelines for services other than auditing that the company may purchase from its Auditors
- appraising the Auditor's work and informing the company's Nomination Committee about this appraisal
- assisting the Nomination Committee on consulting on proposals for the company's Auditors and audit fees

The Audit Committee held five meetings in the year. Primarily, the Committee discussed the presentation of the company's interim reports, product profitability, goodwill and other intangible assets, accounts receivable, risk management, finance-related issues, and internal controls. The company's Auditors report their observations from the audit to the whole Board each year in tandem with the annual financial statement.

STYRELSE 2023

Anders Lidbeck
Chairman of the Board since 2019, Acting CEO since July 3, 2023*

Born: 1962
Education: M.Sc. in Business Administration and Economics, University of Lund
Previous positions: President and CEO of Enea, President and CEO of Telelogic, sales and marketing positions at Nokia, ICL and Telia Megacom, including serving as the President for ICL Direct in Benelux and Vice President of Sales and Marketing for ICL Industry Systems Europe.
Main occupation: Acting CEO since July 3, 2023
No. of shares: 51,500
Committee service: Chairman of Remuneration Committee

** Kjell Duveblad has been appointed Chairman for the time that Anders Lidbeck, due to the position of CEO, cannot also be chairman of the board.*

Kjell Duveblad
Board member elected 2008, Chairman of the board since July 3, 2023

Born: 1954
Education: M.Sc. Business Administration, Stockholm School of Economics
Previous positions: Sales Director of IBM Svenska AB and President of Oracle Sweden, Nordics and the Baltics.
Other assignments: Chairman of the Board QBNK Holding and Board Member of several unlisted companies.
Main occupation: Management consulting and board assignments
No. of shares: 30,000
Committee service: Audit Committee

Mats Lindoff
Member of the Board
Elected 2010

Born: 1961
Education: M.Sc. (Eng.) EE
Previous positions: Chief Technology Officer Sony-Ericsson, President of C-Technologies AB.
Other assignments: Board Member of Precise Biometrics AB, and a number of unlisted companies.
Main occupation: Strategy consultant
No. of shares: 990
Committee service: Chairman of Technology Committee, member of the renumeration Committee

Åsa Schwarz
Member of the Board
Elected 2022

Born: 1973
Education: Bachelor of Arts with a major in Computer and Systems Science and in Business Administration, from Stockholm University & KTH
Previous positions: Sales and marketing manager Knowit Cybersecurity & Law, management consultant within cybersecurity Cybercom, KAM Nexus, founder of Dagaz.
Other assignments: Board member of Precise Biometrics AB.
Main occupation: Responsible for business development and communication at Knowit Cybersecurity & Law, and author.
No. of shares: 900
Committee service: Member of the audit committee, member of the technology committee since 3 July 2023

Charlotta Sund
Member of the Board
Elected 2020

Born: 1963
Education: M.Sc. Industrial Engineering and Management, Linköping University Institute of Technology
Previous positions: Senior Vice President Ericsson, Vice President Ericsson, various product, market, and sales positions within Ericsson.
Other assignments: Board Member of Hexatronic Group AB. Board assignments within Tekniska verken Group.
Main occupation: President and CEO Tekniska verken i Linköping AB
No. of shares: 650
Committee service: Chairman of Renumeration Committee

Jenny Andersson
Employee representative for the Swedish Association of Graduate Engineers (Sveriges Ingenjörer)
Elected 2019

Born: 1973
Education: Bachelor of Science in Engineering, Degree Programme in Computer Engineering
Previous positions: With Enea since 2010 (Quality leader, Release project leader and Test leader).
Main occupation: Group Quality Manager and Sustainability
No. of shares: 0
Committee service: None

Jan Frykhammar resigned from the board at his own request on 4 July 2023.

Additionally, the Board meets the company's Auditor at least once per year, without Management being in attendance, to receive information on the audit's orientation and scope. The coordination between the external audit and internal controls, and view of the company's risks as above, is also discussed at these meetings.

4. REMUNERATION COMMITTEE

The Board's overall responsibilities cannot be delegated as stated above, but the Board has also constituted a Remuneration Committee, whose duty is to consult on issues relating to salary, other benefits, and other employment terms of the CEO, and where appropriate, other members of the Executive Management Team.

The Remuneration Committee is convened as required, and reports on its work to the Board. The Remuneration Committee held three meetings where minutes were taken in the year. At the Board meeting following election after the AGM, Anders Lidbeck was appointed Chairman and Charlotta Sund as a member of the Remuneration Committee

4. TECHNOLOGY COMMITTEE

The overall goal of the Technology Committee is to give the Board of Directors an opportunity to exchange knowhow and feedback with Management on technology choices for Enea's product and acquisition strategy. The Technology Committee serves an advisory function, and does not discharge the Board of Directors from any liability. The Technology Committee held four meetings in the year. At the Board meeting following election after the AGM, Mats Lindoff was appointed Chairman and Åsa Schwarz as a member of the Technology Committee. Enea's Chief Executive Officer is co-opted to Technology Committee meetings.

EVALUATION OF THE WORK OF THE BOARD OF DIRECTORS

The Chairman of the Board is responsible for evaluating the work of the Board. This evaluation is in two phases, the first being an open discussion within the Board, with each Director given the opportunity and time to reflect and discuss their view of the Board's work.

This discussion is then the basis of the second phase, which consists of the Nomination Committee excluding the Chairman of the Board, individually interviewing one or two Directors each. The Nomination Committee has received five written reports used as a basis for evaluating the work of the Board.

5. CHIEF EXECUTIVE OFFICER AND EXECUTIVE MANAGEMENT TEAM

Jan Häglund, CEO since May 2019, left with immediate effect on July 3, 2023. For this reason, the board appointed the chairman of the board Anders Lidbeck to acting CEO. Anders Lidbeck has no significant holding shares in companies that Enea has business relations with and his other significant appointments and experiences are stated in the presentation of the Executive Management Team on the next page.

The members of Enea's Executive Management Team are the CEO, CFO, as well as five managers of central and line functions representing organizational functions and business units. For more information on the members of the Executive Management Team, please refer to the presentation on the next page.

The Executive Management Team meets twice per month to analyze the business position of all business units, and to discuss other regular and relevant issues. The Executive Management Team also meets several times per year to discuss the company's strategy and report its proposal for a strategy for the coming years to the Board. Based on the approved strategy, the CEO and CFO produce a business plan for the coming year. This business plan is submitted for approval at a Board meeting in December.

6. AUDITORS

The AGM 2023 elected Öhrlings PricewaterhouseCoopers as Auditor, with Nicklas Kullberg (Authorized Public Accountant) as Auditor in Charge. The company's Auditor conducts a review of the company's internal controls and administration each year, reporting observations and evaluation to the whole Board. The guidelines for the work of the Board are based on the rules of procedure that formalize issues including the segregation of duties within the Board and between the Board and Management. In the year, the Auditor also conducted a review of the annual financial statement, and the Audit Report is included in this Annual Report (page 103). A summary review of the third quarterly financial statement was also conducted, and the company's Auditor presented his Audit Report in the Interim Report for the period January-September.

REMUNERATION OF THE BOARD OF DIRECTORS

A total of SEK 2,220,000 of Directors' fees are payable, divided between SEK 550,000 to the Chairman, and SEK 270,000 to each of the other Directors appointed by the AGM.

KONCERNLEDNING 2023

Anders Lidbeck

Acting CEO since July 3, 2023*

Born: 1962
Education: M.Sc. in Business Administration and Economics, University of Lund
Previous positions: President and CEO of Enea, President and CEO of Telelogic, sales and marketing positions at Nokia, ICL and Telia Megacom, including serving as the President for ICL Direct in Benelux and Vice President of Sales and Marketing for ICL Industry Systems Europe.
Other assignments: -
Main occupation: Private investor and board assignments
No. of shares: 51,500

Ulf Stigberg

Economics and Finance Manager
Employee since Aptilo 2001, Enea 2020.
EMT member since 2023

Born in: 1965
Education: Bachelor of Economics, Luleå University of Technology
Previous positions: CFO at Aptilo Networks AB, Operations Manager Mobile Internet Axis Communications AB. Various positions within Ericsson; Regional Marketing Manager, Business Manager, Business Controller, Financial Controller, Electromechanical Designer.
No of shares: 4,000

Stephanie Huf

Chief Marketing Officer
Employed since 2022
EMT member since 2022

Born in: 1971
Education: B.Business (Marketing) Monash University, Melbourne Australia
Previous positions: VP Group Communications Telia Company, Head of Marketing and Industries, Telia Global and Division X, Head of Global Campaigns Ericsson AB, Head of Marketing and Communications Industry and Society Ericsson AB, VP Marketing and Public Affairs Ericsson South East Asia and Oceania. Non-executive Director Information City Australia.
No of shares: 300

Anna de la Cruz Selander

Senior Vice President,
Head of People & Culture
Employed since 2023
EMT member since 2023

Born in: 1968
Education: International Economics degree, School of Economics at University of Gothenburg
Previous positions: Director Learning, Leadership, Performance & Culture Northvolt and Klarna Bank, Responsible Ericsson ConsumerLab, Responsible Ericsson Academy and talent development in sales, Trade Commissioner Argentina Export Council, various international positions
Ericsson.
No of shares: 0

Roland Steiner

Senior Vice President Telecom Business Unit
Employed since Siemens 2001, Atos 2018, Enea 2019.
EMT member since 2019

Born in: 1974
Education: M.Sc. Electrical Engineering, Vienna University of Technology
Previous positions: VP Global Head of Telco Solutions at Atos, VP Business Unit LTE at Siemens Convergence Creators.
No of shares: 7,828

Jean-Pierre Coury

Senior Vice President Enterprise Business Unit
Employed since: Qosmos 2010, Enea 2017
EMT member since 2022

Born in: 1977
Education: M.Sc. Telecommunication & Networking Engineering, STRI Toulouse (France), Exec-MBA, ESSEC (France)
Previous positions: VP of Global Sales & Customer Operations at Enterprise Business Unit, Head of Customer operations at Qosmos.
No of shares: 7,693

John Hughes

Senior Vice President AdaptiveMobile Security Business Unit
Employed since: AdaptiveMobile Security 2006, Enea 2021
EMT member since 2022

Born in: 1974
Education: Bachelor of Engineering, Electronic Engineering, Dublin City University
Previous positions: Chief Operating Officer at Enea AdaptiveMobile Security. Commenced career at Vodephone Ireland.
No of shares: 0

Osvaldo Aldao

Chief Technology and Product Officer,
Head of Product Operations
Employed since 2021
EMT member since 2023

Born in: 1972
Education: Civil engineering degree (M.Sc.) in telecommunications and in Electronics Engineering from the Institute of Technology, Buenos Aires, Argentina
Previous positions: VP for product management at Enea since 2021.Previous positions at Ericsson included Head of Portfolio, Communications Services, Director of the IoT Accelerator and Director of sales support.
No of shares: 1000

Emma Bergvall
Senior Vice President Head of Sales Operations
Employed since: Enea 2021
EMT member since 2023

Born in: 1985
Education: Master of Science in Industrial Engineering and Management – International, Linköping University
Previous positions: Group Sales Operations Manager, Cramo Group, as well as various positions within Tele2 including Head of Business Sales Support and Sales Process Development, Head of Product Management Large Enterprise.
No of shares: 100

Members of Executive Management who left Enea during 2023:
Jan Häglund, CEO
Ola Burmark, CFO
Camilla Vautier, SVP Service Provider Sales

Fees for committee work are payable as follows, for the Audit Committee, SEK 100,000 for the Chairman and SEK 60,000 to one member, and for the Remuneration Committee, SEK 50,000 for the Chairman and SEK 30,000 to one member, and for the Technology Committee, SEK 50,000 for the Chairman and SEK 30,000 to one member. The Board's employee representatives do not receive Directors' fees.

REMUNERATION OF SENIOR EXECUTIVES

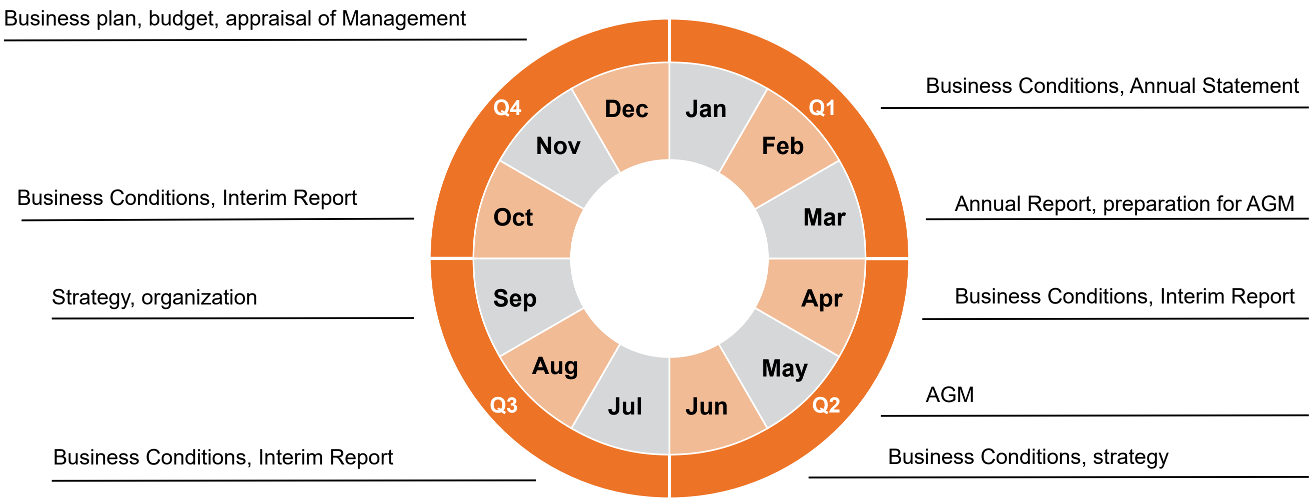
In order to hire and retain senior executives, the company offers competitive terms and conditions with remuneration at market levels. Overall remuneration to senior executives comprises basic and variable salary, pension provisions, and share-based payment. Basic and variable salary are set yearly at individual level. The model for senior executives' variable salary, and determining its outcome, are subject to decision by the Board after proposal from the Remuneration Committee. Additionally, variable salary is based on performance in relation to targets set yearly, primarily relating to the company's sales and EBIT, as well as individual targets adapted to the individual executive's responsibilities. If these targets are achieved, a portion of maximum variable salary is payable, and if targets are exceeded, more remuneration may be payable, up to a predetermined ceiling. Senior executives may be offered the opportunity to participate in share-based incentive programs, subject to AGM resolution. This means that compensation may also be payable in the form of sharebased payment, providing that the targets and other conditions of such share-based incentive program are satisfied. Remuneration of the Chief Executive Officer is subject to decision by the Board, after proposal from the Remuneration Committee.

BOARD MEMBERS' MEETING ATTENDANCE 2023

Board member	Board of Directors (14 meetings)	Audit Committee (5 meetings)	Remuneration Committee (3 meetings)	Technology Committee (4 meetings)
Anders Lidbeck[1]	8		5	
Kjell Duveblad[2]	16	8		
Mats Lindoff[3]	16		2	4
Charlotta Sund[4]	15		7	
Åsa Schwarz[5]	16	3		3
Jenny Andersson[6]	15			
Jan Frykhammar[7]	8	5		

[1] Chairman of the Board and Remuneration Committee chairman until 3 July. Appointed interim CEO by the board on 3 July.
[2] Chairman of the board appointed by the board since 3 July. Audit committee member, chairman since 3 July. 3 Technology committee chairman. Remuneration committee member since 3 July.
[4] Remuneration committee member, chairman since 3 July.
[5] Technical committee member. Audit committee member since 3 July.
[6] Employee representative.
[7] Resigned from the board at his own request on July 4.

WORK OF THE BOARD OF DIRECTORS 2023



PENSION ARRANGEMENTS

The pension arrangements of the Chief Executive Officer are decided by the Board after proposal from the Remuneration Committee, and make up 30 percent of total salary. Other senior executives in Sweden have pension arrangements lying within the framework set by the ITP (Supplementary Pensions for Salaried Employees) plan, with expected retirement ages of 65, and pension provisions related to employee salary. Pension premiums are paid continuously.

SEVERANCE PAY

On termination of the Chief Executive Officer's employment, the company will observe a notice period of six months, and the Chief Executive Officer has a notice period of six months to the company. In addition, severance pay corresponding to six months' basic salary is payable for employment terminated by the company.

If a change of control results in a new majority shareholder, the CEO is entitled to severance pay of six months' salary. All dismissal and severance pay are deducted from any other income. For other senior executives, notice periods of up to nine months apply. The Board reserves the right to depart from the proposed guidelines if there are special circumstances in an individual case.

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board is responsible for internal controls and risk management in accordance with the Swedish Companies Act, the Swedish Annual Accounts Act, and the Swedish Code of Corporate Governance. The Audit Committee monitors Enea's internal control, which does not affect the Board's responsibilities and work otherwise. The purpose is for operations to be pursued expediently and efficiently, and that external reporting complies with legislation and internal regulations governing the company. For this work to be successful, the Board works on a structured basis, delegating specific duties to the Executive Management Team, the Audit Committee, and other staff. Enea states how this work is to be conducted and delegated in policies, such as the Finance Policy and Authorization Policy.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Enea's control environment forms the basis of the company's internal controls over financial reporting. Clear communication of decision paths, authorization, and responsibilities throughout the organization is a key component of Enea's control environment. Enea fulfils the requirements of ongoing work on internal controls and risk management as part of the company's compliance with the Swedish Code of Corporate Governance. For Enea, internal controls over financial reporting are an integrated part of the company's corporate governance. This involves procedures and methods to safeguard the company's assets and the accuracy of financial reporting, which in turn, is designed to protect shareholders' investments in the company. The Board monitors the quality of financial reporting in a number of ways. Each year, the Board adopts rules of procedure, which regulate activities including the Chairman's and CEO's duties. According to these rules, the CEO is responsible for the control environment, and reviews and assures the quality of all financial reporting, as well as ensuring that the Board receives all other reports necessary for evaluation of the group's financial position on an ongoing basis. The instructions for the CEO state the matters that require authorization or approval from the Board. The Board approves rules of procedure for the Board, Audit Committee, Remuneration Committee and Technology Committee at the Board meeting following election after the AGM. Additionally, the Board adopts instructions for the CEO, an approvals list, Finance Policy and instructions for trading in the company's shares. Enea's CEO and Executive Management Team bear operational responsibility for internal controls. Based on the Board's guidelines, as well as legislation and regulation of financial reporting, such as the Swedish Companies Act, the Swedish Annual Accounts Act, and the Swedish Code of Corporate Governance, the Executive Management Team has adopted the segregation of roles and duties for employees that work on financial reporting within the group. The group is divided into units, whose managers are responsible for performance against target and budget, as well as governance issues for their operations. Enea's organizational structure is communicated on the group's intranet, to clarify areas of responsibility and roles for everyone working on financial information. Enea has instructions for the group's staff, stating the authorization of each employee to take certain actions, such as approval and authorization policies. Enea also has a number of policies governing day-to-day work, laying a foundation of internal controls, such as its Finance Policy, Insider Policy (pursuant to the EU MAR), Authorization Policy, IT Policy, Sustainability Policy, and Corporate Communication Policy.

The group also has an Accounting and Financial Reporting Manual, stating the group's accounting policies, and providing reporting instructions. It also includes a schedule for ensuring the availability of consistent and accurate account information at the appropriate times.

The guidelines are updated regularly and communicated to those employees that work directly or indirectly on financial reporting. To safeguard internal controls, all critical governance documents are kept available on Enea's intranet, and in the company's document management system. Accordingly, all staff always have access to the relevant documents and policies. These documents are also classified by authorization level, depending on the roles of individual staff members. The Board receives monthly business reports. The Board analyzes these reports and potential actions are discussed at the following Board meeting. For urgent actions, the Chairman convenes additional Board meetings to consult on the relevant issue. Internal controls are monitored through a number of channels including the Accounting and QA function, Enea's General Counsel, the Delivery function, internal quality meetings, and at quarterly Audit Committee meetings. These functions work on the basis of various targets and control documents to assure the quality of the company's procedures and decision-making.

RISK ASSESSMENT

The objective of Enea's risk assessment is to safeguard the group's earnings performance and financial position. The Board approves the principles and guidelines governing the company's risk management, while the CEO and Executive Management Team bear operational responsibility. Regular risk assessments of the Executive Management Team and each business unit manager are conducted within Enea's monthly financial follow-ups, with actions taken as necessary. As stated above, Enea's organization is structured to manage, review, and evaluate internal controls. Internal controls are also covered in the company's planning and budgeting process, which involves a yearly review of the risks of operations. The Audit Committee and Board are responsible for analyzing and assessing these risks.

CONTROL ACTIVITIES

Enea's control environment is structured to manage the risks that the Board considers material to internal controls over financial reporting. The control environment is based on the company's organization having clear roles that enable effective segregation of duties, and control activities being capable of discovering and preventing risks of misstatements in financial reporting early.

Examples of activities and documentation for this purpose include

- review conducted by Authorized Public Accountants in addition to the statutory audit
- governance and regular monitoring of the company's accounting
- financial and legal policies
- quarterly updates of the company's forecast
- regular monitoring and review of special segments
- the Board's quarterly review of business conditions, in terms of plans and budgets
- monitoring financial performance of the company's business units and products
- analysis of major transactions, cash flow, balance sheet, and future prospects
- the finance function reviews development projects with the development function, usually each month. Commercial viability and other criteria that new projects need to satisfy are discussed.

Enea has had ISO certification since 2006. The company's product activities comply with the principles defined by ISO 9001:2015. Enea recertifies every third year, and follow-up audits are conducted in intervening years.

INFORMATION AND COMMUNICATION

The governance documents (such as policies, guidelines and manuals) relating to financial reporting are communicated on Enea's intranet and document management system. Each governance document is owned by the department responsible for its content and any revisions.

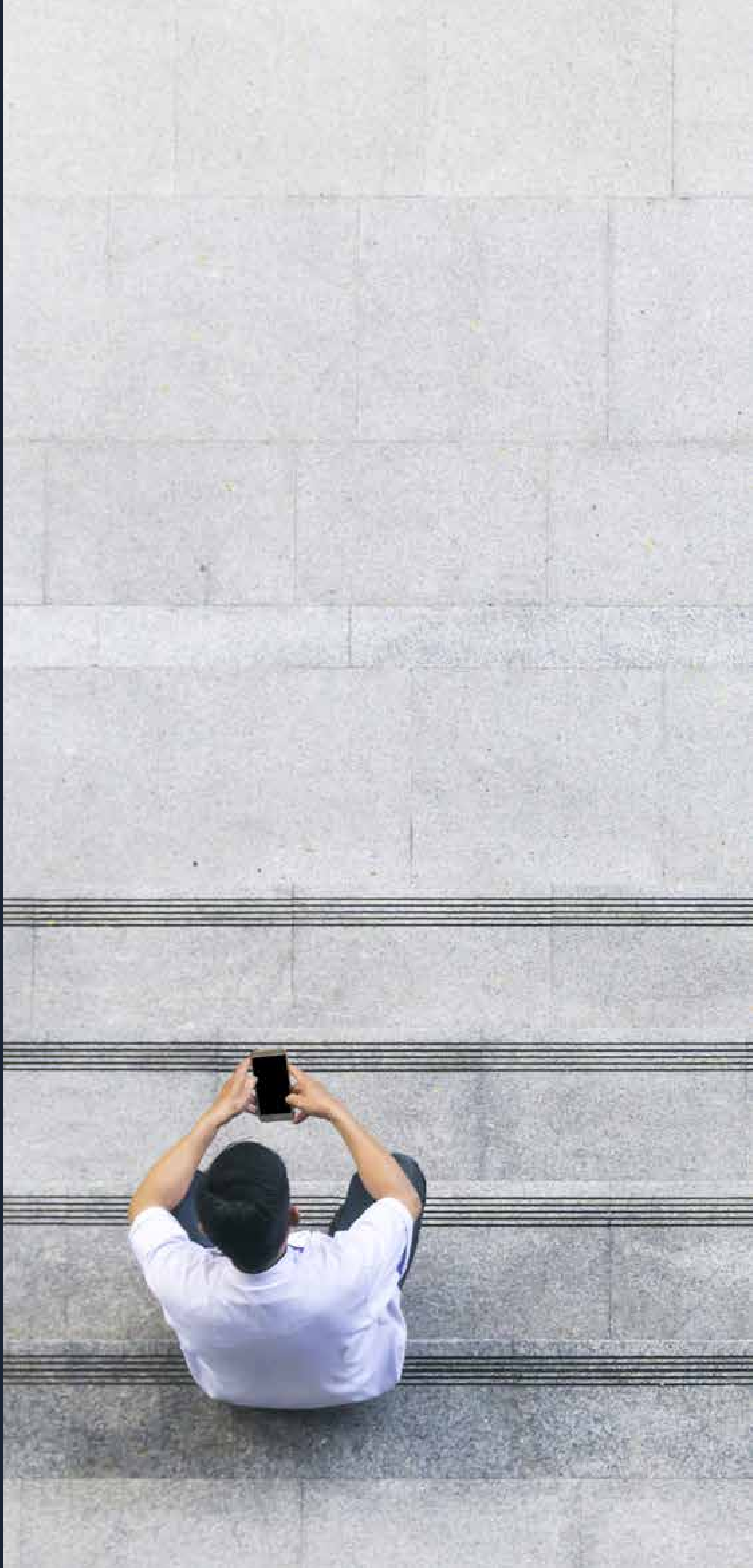
Most communication is digital, and when necessary, departmental managers meet staff to inform, follow up, and evaluate. Communication of the Board of Directors' material is digital, through a verified and secure channel. The Board's and Executive Management Team's corporate communication rules are stated on pages 49-52.

Governance documents for internal and external corporate communication have been prepared to ensure compliance with disclosure liabilities, and to manage communication with internal and external stakeholders.

FOLLOW-UP

Enea's Finance functions within the group are integrated by a single, collective financial control system, and have shared accounting instructions. The company's marketing and sales function deals with current and potential customers in its customer relationship management system, which ensures that Enea's sales staff have access to the necessary information. The company reports regularly to the Board and Audit Committee on compliance with the Code of Conduct and the export legislation that Enea is liable for compliance with, on a regular basis. Against the background of the size and nature of operations, and the current reporting procedures to the Board and Audit Committee, the Board does not consider that constituting a dedicated internal audit function would be justifiable. The internal controls reviewed above are considered sufficient to assure the quality of financial reporting.

60. FINANCIAL REPORT



Financial report

Consolidated Statement of Comprehensive Income
(continued operations)

SEK 000 (January 1 - December 31)	Note	2023	2022
Net sales	2,16	912 678	927 670
Other operating revenue	2	21 851	37 077
Total revenue		**934 529**	**964 747**
Operating expenses			
Cost of sold products and services		-214 983	-213 679
Gross profit		**719 546**	**751 068**
Sales and marketing expenses		-290 724	-232 289
Product development expenses		-830 510	-298 649
Administrative expenses		-97 782	-101 990
Operating profit*	3,4,5,6,7,10,11,20	**-499 470**	**118 140**
Financial income		383 256	281 968
Financial expenses		-440 202	-299 139
Financial net	8	**-56 946**	**-17 171**
Profit before tax continued operations		-556 416	100 969
Tax	9	5 696	7 984
Profit after tax continued operations		**-550 720**	**108 953**
Profit from discontinued operations		-	115 857
Profit after tax		**-550 720**	**224 810**
Other comprehensive income reclassifiable to profit or loss			
Exchange differences		-22 000	279 350
Cash flow hedges, profit before tax		428	-1 500
Cash flow hedges, tax effect		-88	309
Other comprehensive income not reclassifiable to profit or loss			
Pension obligations		987	5 847
Total comprehensive income for the year, net of tax		**-571 393**	**508 816**
Net profit attributable to equity holders of the parent		**-550 720**	**224 810**
Comprehensive income attributable to equity holders of the parent		**-571 393**	**508 816**

*Non-recurring items included in operating profit	2023	2022
Operating profit, including non-recurring items	-499 470	118 140
Restructuring costs	29 410	23 921
Write-down	529 259	-
Reservation for reported but not yet received income	63 019	-
Operating profit, excluding non-recurring items	**122 218**	**142 061**
Earnings per share, SEK	-25.80	10.43
Earnings per share continued operations, SEK	-25.80	5.05

Consolidated Balance Sheet

SEK 000 (December 31)	Note	2023	2022
Assets			
Intangible assets	10	1 844 558	2 456 571
Rights of use assets	7	38 411	37 146
Equipment, tools, fixtures and fittings	11	18 474	21 533
Deferred tax assets	9	13 139	22 402
Other long-term receivables		2 227	3 593
Total fixed assets		**1 916 809**	**2 541 244**
Accounts receivables	12	228 739	292 716
Tax receivables		26 896	37 231
Prepaid expenses and accrued income	13	140 238	204 497
Other receivables		7 793	10 979
Cash and cash equivalents	18	261 791	231 302
Total current assets		**665 457**	**776 725**
Total assets		**2 582 266**	**3 317 969**
Equity	14,25		
Share capital		24 706	24 706
Other paid-up capital		992 529	992 529
Reserves		331 556	353 216
Retained earnings including profit for the year		332 491	920 750
Total equity		**1 681 282**	**2 291 201**
Provisions			
Other provisions		2 370	4 547
Total provisions		**2 370**	**4 547**
Long-term liabilities			
Deferred tax liabilities	9	92 409	116 298
Long-term liabilities, interest-bearing	23	442 745	543 216
Obligation for employee benefits	24	19 094	18 891
Long-term liabilities, lease obligations	7	22 329	23 437
Total long-term liabilities		**576 577**	**701 842**
Current liabilities			
Current liabilities, interest-bearing	23	27 055	6 622
Current liabilities, lease obligations	7	17 306	14 525
Accounts payables		13 749	21 552
Tax liabilities		-	5 187
Other liabilities	23	13 532	23 456
Text		-	661
Accrued expenses and deferred income	16	250 395	248 376
Total current liabilities		**322 037**	**320 379**
Total equity and liabilities		**2 582 266**	**3 317 969**

Consolidated Statement of Changes in Equity

SEK 000 (January 1 - December 31)	Share Capital	Other paid-up capital	Reserves: Cash Flow Hedges	Reserves: Translation reserve	Retained Earnings incl. Profit for the year	Total equity
Opening equity, Jan 1, 2022	**24 431**	**992 529**	**851**	**74 206**	**683 992**	**1 776 009**
Comprehensive income						
Profit for the year	-	-	-	-	224 810	224 810
Other comprehensive income						
Cash flow hedges, profit before tax	-	-	-1 500	-	-	-1 500
Cash flow hedges, tax effect	-	-	309	-	-	309
Translation difference	-	-	-	279 350	-	279 350
Pension obligations	-	-	-	-	5 847	5 847
Total other comprehensive income	**-**	**-**	**-1 191**	**279 350**	**5 847**	**284 006**
Total comprehensive income	**-**	**-**	**-1 191**	**279 350**	**230 657**	**508 816**
Transactions with equity holders						
Share redemption program	-	-	-	-	33	33
New share issue	275	-	-	-	-	275
Share savings program	-	-	-	-	6 343	6 343
Repurchase own shares	-	-	-	-	-275	-275
Total transactions with equity holders	**275**	**-**	**-**	**-**	**6 101**	**6 376**
Closing equity, Dec 31, 2022	**24 706**	**992 529**	**-340**	**353 556**	**920 750**	**2 291 201**
Opening equity, Jan 1, 2023	**24 706**	**992 529**	**-340**	**353 556**	**920 750**	**2 291 201**
Comprehensive income						
Profit for the year	-	-	-	-	-550 720	-550 720
Other comprehensive income						
Cash flow hedges, profit before tax	-	-	428	-	-	428
Cash flow hedges, tax effect	-	-	-88	-	-	-88
Translation difference	-	-	-	-22 000	-	-22 000
Pension obligations	-	-	-	-	987	987
Total other comprehensive income	**-**	**-**	**340**	**-22 000**	**987**	**-20 673**
Total comprehensie income	**-**	**-**	**340**	**-22 000**	**-549 733**	**-571 393**
Transactions with equity holders						
Share redemption program	-	-	-	-	12	12
New share issue	-	-	-	-	-	-
Share savings program	-	-	-	-	-11 404	-11 404
Repurchase own shares	-	-	-	-	-27 134	-27 134
Total transactions with equity holders	**-**	**-**	**-**	**-**	**-38 526**	**-38 526**
Closing equity, Dec 31, 2023	**24 706**	**992 529**	**-**	**331 556**	**332 491**	**1 681 282**

Consolidated Cash Flow Statement

SEK 000 (January1 - December 31)	Note 19	2023	2022
Operating activities			
Profit before tax		-556 416	218 012
Adjustment for non-cash items		701 457	69 314
Cash flow from operations before tax paid		**145 041**	**287 326**
Tax paid		-3 247	-7 324
Cash flow from operating activities before change in working capital		**141 794**	**280 002**
Cash flow from change in working capital			
Change in operating receivables		153 503	-2 081
Change in operating liabilities		-31 837	-111 085
Cash flow from change in working capital		**121 666**	**-113 166**
Cash flow from operating activities		**263 460**	**166 836**
Investing activities			
Investments in intangible assets	10	-89 247	-130 539
Investment/disposal of property, plant and equipment	11	-7 298	-7 669
Investment/disposal of financial assets		1 329	-229
Divestment of operations, net of cash**	27	-	173 246
Cash flow from investing activities		**-95 216**	**34 809**
Financing activities* **			
Borrowing		20 431	82 839
Amortization of loan		-100 000	-272 295
Amortization of lease liability		-19 315	-16 403
New share issue		-	275
Redemption program		12	33
Repurchase own shares		-27 134	-275
Cash flow from financing activities		**-126 006**	**-205 826**
Cash flow for the year		**42 238**	**-4 181**
Cash and cash equivalents at beginning of year		231 302	211 370
Exchange rate difference in cash and cash equivalents		-11 749	24 113
Cash and cash equivalents at end of year		**261 791**	**231 302**

** Payments for divestments of operations were 2022 related to divestment of Software Development Services

** Financing activities do not include any translation effects impacting cash flow

Parent Company Statement of Comprehensive Income

SEK 000 (January 1 - December 31)	Note	2023	2022
Net sales		**67 861**	**42 248**
Operating expenses			
Administrative expenses		-84 390	-99 351
Operating profit	3,4,5,6,7,10,11,20	**-16 529**	**-57 103**
Financial income		247 562	107 834
Financial expenses		-229 990	-112 560
Financial net	8	**17 572**	**-4 726**
Profit (loss) after financial net		**1 043**	**-61 829**
Appropriations		-212	55 925
Profit (loss) before tax		**831**	**-5 904**
Tax	9	-68	-
Profit (loss) for the year		**763**	**-5 904**

Parent Company Balance Sheet

SEK 000 (December 31)	Note	2023	2022
Assets			
Intangible assets	10	2 320	1 659
Equipment, tools, fixtures and fittings	11	3 993	3 693
Participation in group companies	17	208 616	208 616
Total fixed assets		**214 929**	**213 968**
Receivables from group companies	19	1 163 235	1 230 884
Tax receivables		1 348	1 348
Prepaid expenses and accrued income	13	10 029	10 456
Other receivables		631	1 859
Cash and cash equivalents	18	75	64
Total current assets		**1 175 318**	**1 244 611**
Total assets		**1 390 247**	**1 458 579**
Equity	14		
Restricted equity			
Share capital		24 706	24 706
Non-restricted equity			
Share premium reserve		562 749	562 749
Retained earnings		206 970	251 400
Profit (loss) for the year		763	-5 904
Total equity		**795 188**	**832 951**
Provisions			
Appropriations		1 136	924
Total provisions		**1 136**	**924**
Long-term liabilities			
Long-term liabilities interest-bearing	23	442 745	543 216
Total long-term liabilities		**442 745**	**543 216**
Current liabilities			
Current liabilities interest-bearing	23	27 053	6 622
Accounts payables		2 661	7 641
Liabilities to group companies	19	104 679	52 605
Other liabilities		922	1 370
Accrued expenses and deferred income	16	15 795	13 250
Total current liabilities		**151 178**	**81 488**
Total equity and liabilities		**1 390 247**	**1 458 579**

Parent Company Statement of Changes in Equity

	Restricted equity		Non-restrcted equity			
SEK 000 (January 1 - December 31)	Share Capital	Statutory Reserve	Share Premium Reserve	Retained earnings	Profit (loss) for the year	Total equity
Opening equity, Jan 1, 2022	**24 431**	**-**	**562 749**	**245 299**	**-**	**832 479**
Share redemption program	-	-	-	33	-	33
Share savings program	-	-	-	6 343	-	6 343
Repurchase own shares	-	-	-	-275	-	-275
Profit for the year	-	-	-	-	-5 904	-5 904
Closing equity, Dec 31, 2022	**24 706**	**-**	**562 749**	**251 400**	**-**	**838 855**
Opening equity, Jan 1, 2023	**24 706**	**-**	**562 749**	**251 400**	**-**	**838 855**
Share redemption program	-	-	-	12	-	12
New share issue	-	-	-	-	-	-
Share savings program	-	-	-	-11 404	-	-11 404
Repurchase own shares	-	-	-	-27 134	-	-27 134
Profit for the year	-	-	-	-	763	763
Closing equity, Dec 31, 2023	**24 706**	**-**	**562 749**	**212 874**	**763**	**801 092**

Parent Company Cash Flow Statement

SEK 000 (January 1 - December 31)	Note 20	2023	2022
Operating activities			
Profit (loss) before tax		831	-5 904
Adjustment for non-cash items		-9 666	-47 105
		-8 835	**-53 009**
Tax paid		-	-
Cash flow from operating activities before change in working capital		**-8 835**	**-53 009**
Cash flow from change in working capital			
Change in operating receivables		69 304	181 661
Change in operating liabilities		49 191	7 829
Cash flow from change in working capital		**118 495**	**189 490**
Cash flow from operating activities		109 660	136 481
Investing activities			
Investments in intangible assets	10	-1 169	-1 424
Investments in property, plant and equipment	11	-1 789	-1 342
Cash flow from investing activities		**-2 958**	**-2 766**
Financing activities			
Borrowing		20 431	82 839
Amortization of loan		-100 000	-270 671
Redemption program		12	33
Group contribution received/paid		-	54 115
Repurchase own shares		-27 134	-275
Cash flow from financing activities		**-106 691**	**-133 684**
Cash flow for the year		**11**	**31**
Cash and cash equivalents at beginning of year		64	33
Cash and cash equivalents at end of year		**75**	**64**

Note 1 Accounting Policies

Amounts in SEK 000 unless otherwise stated.

Consistency with Standards and Legislation

The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act, International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), and interpretations from the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the EU. The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has also been applied. The parent company applies the same accounting policies as the group except in the cases stated below in the section on "parent company accounting policies". The inconsistencies between the parent company's and the group's policies stem from the limited potential for applying IFRS to the parent company as a consequence of the Swedish Annual Accounts Act, and in some instances, for tax reasons.

Basis of Preparation of Parent Company's and the Group's Financial Statements

The parent company's functional currency is Swedish kronor (SEK) which is also the presentation currency of the parent company and the group. This means that the financial statements are presented in SEK. Assets and liabilities are recognized at historical cost, except certain financial assets and liabilities, which are measured at fair value. In order to prepare financial statements in accordance with IFRS, Management is required to make accounting judgements and estimates as well as assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are based on historical experience and other factors that are deemed reasonable in prevailing circumstances. The result of these estimates and assumptions are then used to assess the carrying amounts of assets and liabilities that are not otherwise clear from other sources. Actual outcomes may differ from these estimates and judgements. The estimates and assumptions are reviewed regularly. Changes to estimates are recognized in the period in which the change is made if the change has only affected that period, or in the period in which the change is made and future periods if the change affects both the current period and future periods. When applying IFRS, assessments made by the Executive Management Team that have a significant impact on the financial statements and the estimates and which could result in material restatements of the financial statements of subsequent years are described in more detail in Note 22. The accounting policies stated below for the group have been applied consistently to all periods presented in the consolidated accounts unless otherwise stated. The group's accounting policies have been applied consistently for the recognition and consolidation of subsidiaries.

Changes in Accounting Policies and Disclosures

New and Revised Standards and Interpretations of Existing Standards Applied by the Group

The standards, amendments and interpretations that come into effect for the financial year beginning January 1, 2023, have no material impact on the consolidated financial statements.

New Standards, Amendments and Interpretations of Existing Standards That Have Not Been Applied Prospectively by the Group

A number of new standards, as well as amendments of interpretations and existing standards start to apply for financial years beginning after January 1, 2023. These standards are not mandatory, have no material impact on the Group, and accordingly, have not been applied.

Segment Reporting

The operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker (CODM). The CODM is that function responsible for allocating resources and evaluating the performance of segments. For the group, this function has been identified as the CEO.

Classification, etc.

Non-current assets and non-current liabilities in the parent company and group essentially consist only of amounts expected to be recovered or paid after more than 12 months of the reporting date. Current assets and current liabilities in the parent company and group essentially consist only of amounts expected to be recovered or paid within 12 months of the reporting date.

Consolidation Policies

Subsidiaries

Subsidiaries are all companies that the group exerts is a controlling influence over. The group has controlling influence over a company when it is exposed, or has a right, to variable returns from its holdings in the company, and can affect these returns through its controlling influence in the company. Subsidiaries are included in the consolidated accounts effective the date the controlling influence transfers to the group. They are excluded from the consolidated accounts from the date the controlling influence ceases. The purchase method is used to recognize the group's business combinations. The purchase consideration for the acquisition of a subsidiary comprises the fair value of transferred assets, liabilities and the shares issued by the group. The consideration also includes the fair value of all assets or liabilities resulting from an agreement concerning a contingent consideration. Acquisition-related costs are expensed as they arise. Identifiable acquired assets and assumed liabilities in a business acquisition are initially measured at fair value on the date of acquisition. For each acquisition, the group determines whether all non-controlling interests in the acquired entity are recognized at fair value or at the proportionate share of net assets of the acquired entity. The amount by which the transferred consideration, any non-controlling interests and the fair value of previous shareholdings on the date of transfer exceeds the fair value of the group's share of identifiable acquired net assets, is recognized as goodwill. When the difference is negative, it is recognized directly in profit or loss. Intra-group receivables, liabilities, income or expenses and unrealized gains or losses attributable to intra-group transactions are eliminated when the consolidated accounts are prepared. Unrealized losses are eliminated in the same way as unrealized gains.

Foreign Currency

Transactions in Foreign Currency

Transactions in foreign currency are translated to the functional currency at the rate of exchange ruling on the transaction date. Monetary assets and liabilities in foreign currency are translated to the functional currency at closing day rates. Exchange differences occurring in translations are recognized in profit or loss. Exchange differences on non-monetary assets and liabilities are recognized in operating profit or loss, and exchange differences on monetary assets and liabilities are recognized in financial net. Non-monetary assets and liabilities recognized at historical cost are translated at the rate of exchange ruling on the transaction date. Non-monetary assets and liabilities recognized at fair value are translated to the functional currency at the rate of exchange ruling at the time of fair value measurement, the change in exchange rate is then recognized in the same way as other value changes relating to the asset or liability. The functional currency is the currency in the primary economic environments where companies conduct operations. The group's constituent companies are the parent company and subsidiaries. The parent company's functional currency, and presentation currency, is Swedish kronor. The group's presentation currency Swedish kronor.

Financial Statements of Foreign Operations

Assets and liabilities in foreign operations including goodwill and other consolidated surplus values and deficits, are translated to Swedish kronor at closing day rates. The revenues and expenses of a foreign operation are translated to Swedish kronor at an average rate of exchange that is an approximation of the rates at each transaction date. Translation differences arising on currency conversion of foreign operations are recognized in other comprehensive income. When selling a foreign operation, the accumulated translation differences attributable to the operation are realized. Accumulated translation differences are presented as a separate category under the item “Reserves”.

Revenue

The group generates revenue from sales of software and services and applies IFRS 15 Revenue from Contracts with Customers. The following are the criteria for recognizing the revenue from licenses and, wherever appropriate, the revenue from services:

- A written contract signed by both parties.
- Delivery has occurred, and control has transferred to the customer.
- The license fee must be a fixed amount or calculated using a reliable method, and no withdrawal options are available.
- It is probable that payment will be received.

Software Sales

Sales of software generate revenue in the form of license fees, buyouts (the customer purchases the product for an unlimited time), royalties and revenue for support and maintenance. When Enea is entitled to recognize revenue, a contract asset/accrued income arises. The contract assets transfer to a receivable from a customer when all the criteria regarding the rights to invoice the customer are satisfied.

Developer Licenses and Buyouts

A license is a performance obligation. When the customer develops a product, a developer license is paid to Enea. Developer licenses are normally priced per development engineer. The customer can decide to purchase a time-based or perpetual license. For both developer licenses and buyouts, income is recognized when delivery of the software has been completed, and the customer has control over the good. Income from time-based license fees is accrued over the contract period on a straight-line basis, because during the contract term, the customer is dependent on continuous upgrades and modifications in order to use the license, while the revenue from perpetual license fees and buyouts is recognized at delivery when no performance obligations remain. Support and maintenance are sold in part separately from, and in part together with, the licenses. Separate maintenance contracts normally have a term of 12 months, and the income is allocated on a straight-line basis over the contract term. In the sale of perpetual developer licenses, support and maintenance is included in the license fee, as is entitlement to continuous upgrades. In respect of such multi-component contracts, revenue from license sales is recognized in the amount representing the independent sales price of the license in relation to the total sales price pursuant to the contract on delivery of the license. Revenue from the service component, which corresponds to the independent sales price of the service component in relation to the total contracted sales price, is allocated over the service period. The independent sales price of each component is measured on the basis of current market prices of these components when sold separately. Discounts are allocated proportionally to each separate performance obligation (license and support/maintenance).
Enea also sells Software as a Service, where the software is cloud-based, and the customer pays for the usage.

Production Licenses (Royalties)

In order to deliver a finished product containing Enea's technology, the customer signs a production license. This may be time-based or perpetual and often consists of royalties, i.e., a revenue item per sold unit. Royalties are recognized when full delivery has occurred, and when performance obligations are considered satisfied.

Services

The revenue from service assignments rendered on open account is recognized as work is completed. The revenue from services that are based on a functional undertaking are recognized on a straight-line basis over the contract term during which the services are rendered. A functional undertaking involves a service function with an indefinite number of services that are to be maintained over a specific period. Revenue from projects that are executed on a fixed-fee basis is recognized by degree of completion, which is determined based on contract costs incurred in relation to estimated contract costs for the whole contract in accordance with the percentage of completion method. If a loss risk is deemed to exist, individual allowances are posted continuously.

Government Grants

Government grants are recognized at fair value when there is reasonable certainty of the grant being received, and if possible, in the same period as the related expense is reported. Government grants related to Covid-19 of SEK 0 (9.9) million and research and development grants of SEK 0 (3.3) million are included in the other operating income revenue. Government grants based on the year's research and development expense in the form of a reduction of income taxes payable of SEK 0 (3.0) million was received in France. Central government Covid-related loans of SEK 0 (9.9) million in the US to cover operating expenses were waived. There were no unsatisfied covenants or contingencies associated with these grants. The group has not received any other form of government grant.

Operating Expenses and Financial Income and Expenses

Expenses for Leases

The group leases offices, office equipment and vehicles. Usually, leases have fixed periods of between six months and five years, although there may also be extension options. Effective January 1 2019, leases are recognized as rights of use with the corresponding liability. Assets and liabilities from leases are initially recognized at present value, with payments discounted with the lessee's incremental borrowing rate. The incremental borrowing rate is the interest rate that the individual lessee would pay to borrow the necessary funds to purchase an asset of similar value as the right of use in a similar economic environment, with similar terms and conditions and security. Lease payments are allocated between amortization of the liability and interest. Interest is recognized in profit or loss over the lease period in a way that implies a fixed rate of interest for the lease liability being recognized in the period. Assets with right of use are measured at cost, are amortized over the lease term and include the following:

- The amount the lease liability was originally measured at
- Lease payments made at or before the commencement date, after deducting for any benefits received in tandem with entering the lease
- Initial direct expenditure
- Expenditure to maintain the asset in the condition stipulated by the terms and conditions of the lease

Expenses for operating leases of low individual value and with periods of less than 12 months are recognized in profit or loss on a straight-line basis over the lease period. A number of the group's arrangements include options to extend and cancel leases. Most of these extension options have not been included in the lease liability because the group can replace these assets without incurring material expenses or disrupting operations.

Financial Income and Expenses

Financial income and expenses may consist of interest income on bank balances and receivables, and fixed-income securities, interest expenses on loans, dividend income, exchange differences, unrealized and realized gains on financial investments and derivative instruments used in financing activities. Interest income on receivables and interest expenses on liabilities is computed by applying the effective interest method. Effective interest is the rate that makes the present value of all future payments received and made during the fixed-interest period equal to the carrying amount of the receivable or liability. Interest income includes allocated amounts of transaction costs and any discounts, premiums and other differences between the original value of the receivable and the amount received when due. The group does not capitalize interest in the cost of assets because the group's development projects do not have a period of longer than one year.

Financial Instruments

Financial instruments recognized in the Balance Sheet include, on the assets side, financial assets held for sale, other long-term receivables, cash and cash equivalents and accounts receivable, and, on the liabilities and equity side, accounts payable and other current and non-current liabilities. A financial asset or financial liability is recognized in the Balance Sheet when the company becomes a party to the contractual terms of the instrument. Accounts receivables are recognized in the Balance Sheet when the invoice has been sent. Accounts payable are recognized in the Balance Sheet when the invoice has been received. A financial asset is derecognized from the Balance Sheet when the contractual rights have been realized, expire or the company loses control over them. Spot purchases and sales of financial assets are recognized on the transaction date, which is the date on which the company delivers the asset. A financial liability is derecognized from the Balance Sheet when the contractual obligation has been fulfilled or is in some other way extinguished. The fair value of quoted financial assets corresponds to the highest price paid quoted for the asset on the reporting date. Should no such price be available, valuation takes place through generally acceptable methods, such as discounting of future cash flows to the market interest rate for the relevant maturity. For short-term loans and investments, the fair value is assumed to correspond to book value since a change in market interest rates would not have a material effect on market value. Financial assets and liabilities are offset and recognized in a net amount in the Balance Sheet only when a legal right exists to offset the items and there is an intention to settle the amount net, or to simultaneously realize the asset and settle the liability. Financial assets and liabilities are divided into the following categories according to IAS 39.

Loans and Accounts Receivable

This category includes financial assets that are not derivative instruments, with fixed or determinable payments, and that are not listed on an active market. These receivables arise when money, goods or services are provided directly to another party without an intention to trade in the receivables. The assets in this category are measured at amortized cost, less any provision for value depletion. The category includes accounts receivable and cash and cash equivalents.

Accounts Receivables

When the estimated maturity of accounts receivables is short, recognition occurs in the amount expected to flow in based on an individual assessment of doubtful receivables and without discounting, according to the method for recognizing amortized cost. Any impairment losses on accounts receivables are recognized in operating profit. According to IFRS 9, a credit loss reserve based on expected credit losses should be recognized. The group has recognized the transition prospectively, considering historical credit losses over a business cycle, and concludes that there is no reason to create a general impairment allowance. However, accounts receivables are impaired based on individual tests.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash at financial institutions and short-term investments with an original maturity of less than three months. Cash and cash equivalents are recognized at nominal amount.

Financial Assets Held for Sale

Financial assets held for sale are assets that are not derivatives and where the assets have been identified as being held for sale or have not been classified in any other category. The assets form part of non-current assets unless management intends to sell the asset within 12 months of the end of the reporting period.

Financial Liabilities Measured at Fair Value through Profit or Loss

This category includes assets intended for sale in the short term. Derivatives with positive market value are included in this category if not used for hedge accounting. Investments in corporate bonds and unit trusts are also included in this category. Assets in this category are recognized continuously at fair value and value changes are recognized in profit or loss. No financial derivative instruments were classified in this category in the year.

Financial Liabilities Measured at Fair Value through Profit or Loss

This category includes derivative instruments with a negative market value if they are not subject to hedge accounting. Similarly, it includes financial liabilities held for sale. The liabilities in this category are measured continuously at fair value and the changes in value are recognized in profit or loss. During the year, no financial derivatives were classified in this category.

Financial Liabilities Measured at Amortized Cost

This category includes financial liabilities that are not held for trading, such as accounts payable and loan liabilities. These are initially recognized at fair value, net, after transaction costs and subsequently at amortized cost, applying the effective interest rate method.

Loans and Accounts Payable

The measurement policy used for loans and accounts payable is amortized cost. Since the expected maturity of loans and accounts payable is short, such liabilities are recognized at a nominal amount without discounting. Liabilities that fall due within 12 months are classified as current liabilities.

Financial instruments per category

	Financial assets measured at fair value through profit or loss	Derivative instruments used for hedging purposes	Assets measured at amortized cost	Total
December 31, 2023				
Assets in the Balance Sheet				
Derivative instruments	-	-	-	-
Accounts receivables and other receivables, excluding interim receivables	-	-	238 876	238 876
Cash and cash equivalents	-	-	261 791	261 791
	-	**-**	**500 667**	**500 667**
December 31, 2022				
Assets in the Balance Sheet				
Derivative instruments	-	-	-	-
Accounts receivables and other receivables, excluding interim receivables	-	-	309 095	309 095
Cash and cash equivalents	-	-	231 302	231 302
	-	**-**	**540 397**	**540 397**

	Financial liabilities measured at fair value through profit or loss	Derivative instruments used for hedging purposes	Liabilities measured at amortized cost	Total
December 31, 2023				
Liabilities in the Balance Sheet				
Liabilities to credit institutions	-	-	469 800	469 800
Liabilities lease obligations	-	-	39 635	39 635
Derivative instruments	-	-	-	-
Accounts payables and other liabilities, excluding financial liabilities	-	-	27 281	27 281
	-	**-**	**536 716**	**536 716**
December 31, 2022				
Liabilities in the Balance Sheet				
Liabilities to credit institutions	-	-	549 838	549 838
Liabilities lease obligations	-	-	37 962	37 962
Text	-	-	-	-
Text	-	-	-	-
Derivative instruments	-	661	-	661
Accounts payables and other liabilities, excluding financial liabilities	-	-	45 008	45 008
	-	**661**	**632 808**	**633 469**

CoCash and Cash Equivalents

The subcomponents included in cash and cash equivalents are cash, bank and special deposits or commercial paper with an insignificant risk of fluctuations in value and that can easily be converted into cash and cash equivalents, and which have a maturity of no more than three months from acquisition date.

Cash and cash equivalents	2023	2022
Cash and cash equivalents	261 791	231 302
Total	**261 791**	**231 302**

Accounts Payable and Other Liabilities

Accounts payable are unsecured and normally paid within 30 days. The fair value of accounts payable and other liabilities is considered equal to their carrying amounts, because they are inherently short term.

Current liabilities	2023	2022
Accounts payable	13 749	21 552
Other liabilities	13 532	23 456
Total	**27 281**	**45 008**

Borrowing

	2023		
	Short-term	Long-term	Total
Unsecured loans			
Overdraft facility	27 055	-	27 055
Bank loans	-	442 745	442 745
Total	**27 055**	**442 745**	**469 800**

	2022		
	Short-term	Long-term	Total
Unsecured loans			
Overdraft facility	6 622	-	6 622
Bank loans	-	543 216	543 216
Total	**6 622**	**543 216**	**549 838**

Intangible Assets

Goodwill

Goodwill represents the difference between the cost of a business combination and the fair value of the acquired assets, assumed liabilities and contingent liabilities. Goodwill is measured at cost less any accumulated impairment. Goodwill is divided between cash-generating units and is impairment tested at least yearly.

Research and Development

Research expenses aimed at obtaining new scientific or technical knowledge are recognized as an expense when they arise.

Development expenditure, where the research results are aimed at achieving new or improved products or processes, is recognized as an asset in the Balance Sheet when the following criteria have been fulfilled:

- it is technically feasible to complete the asset,
- the company intends to complete the asset and use or sell it,
- the company has sufficient resources to complete development,
- the asset is expected to generate future economic benefits,
- it is possible to measure the expenditure required to complete the asset reliably.

The carrying amount includes expenditure for materials, direct expenditure for salaries and indirect expenditure attributable to the asset in a reasonable and consistent manner. Other development costs are recognized as expense in profit or loss when they arise. The development expenditure recognized in the Balance Sheet is booked at cost, less accumulated amortization and impairment losses.

Other Intangible Assets

These consist mainly of trademarks and brands, licenses and contractual customer relations arising through business combinations. The assets are recognized at fair value on the acquisition date less accumulated amortization.

Amortization Policies

Amortization is recognized on a straight-line basis in profit or loss over the estimated useful life of the intangible assets, assuming that useful life is not indeterminable. Goodwill is impairment tested on a quarterly basis or as soon as there are indications that the asset in question has declined in value. Amortizable intangible assets are amortized as of the date on which they become available for use. The estimated useful life of capitalized development expenditure is between 3 and 5 years. Acquired product rights are amortized over 5-10 years, while acquired contractual customer relations are amortized over 7-10 years.

Tangible assets

Owned Assets

Tangible assets are recognized as assets in the Balance Sheet when it is probable that the future economic benefits associated with the holding will flow to the company and that the cost of the asset can be measured reliably. Tangible assets are recognized at cost in the group less accumulated depreciation and any impairment losses. Cost includes the purchase price and expenses directly attributable to bringing the asset to the site and condition required for it to be used in accordance with the aim of the purchase. Examples of directly attributable expenses included in cost are expenses for delivery and handling, installation, consultancy services and legal services.

Depreciation Policies

Depreciation is on a straight-line basis over the asset's estimated useful life. The estimated useful life of property, plant and equipment such as equipment, tools, fixtures and fittings is 5 years. The useful life and residual value of assets are tested yearly.

Impairment

The carrying amounts of the group's assets, with the exception of deferred tax assets and financial assets, are impairment tested at each reporting date. If there is any indication of impairment, the recoverable amount of the asset is calculated. For the exempted assets as stated above, the carrying amounts are tested in accordance with the relevant standard. For goodwill and intangible assets, which are not yet ready for use, the recoverable amount is measured yearly. If it is not possible to determine essentially independent cash flows for an individual asset, the assets are grouped at the lowest level at which it is possible to identify essentially independent cash flows (known as a cash-generating unit). An impairment loss is recognized when the carrying amount of an asset or cash-generating unit exceeds the recoverable amount. Impairment is recognized as an expense in profit or loss. Impairment of assets identified for a cash-generating unit (group of units) is allocated initially to goodwill. Subsequently, proportional impairment of other assets included in the unit (group of units) is conducted.

Measurement of Recoverable Amount

The recoverable amount is the greater of the fair value less selling expenses and value in use. When measuring value in use, future cash flow is measured using a discount rate that takes into account risk-free interest and the risk associated with the specific asset. For an asset that does not generate cash flows that are essentially independent of other assets, the recoverable amount is measured for the cash-generating unit to which the asset belongs.

Reversal of impairment losses

Impairment losses on goodwill are not reversed. Impairment losses on other assets are reversed if there has been a change in the assumptions underlying the calculation of the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset, after reversal, does not exceed the carrying amount that would have been determined had no impairment loss been recognized, taking into account any depreciation or amortization that would have been charged.

Employee Benefits

Pensions

Obligations regarding fees for defined-contribution plans are recognized as expenses in profit or loss when they arise. All pension solutions in foreign subsidiaries, with the exception of Qosmos in France and Enea Germany, are classified and recognized as defined-contribution plans, which means that the group's profit (loss) is charged with pension expenses in pace with vesting benefits. Salaried employees in Sweden are covered by the ITP plan, which is recognized as a defined-contribution pension plan. Obligations for retirement pensions and survivors' pensions for salaried employees in Sweden are covered by an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is a multi-employer, defined-benefit plan. Alecta is unable to provide Enea or other Swedish companies with sufficient information to determine an individual company's share of the total commitment and its plan assets. Accordingly, ITP pension plans covered by insurance with Alecta are recognized as defined contribution. This plan is being financed on an ongoing basis through pension insurance policies. Alecta's surplus can be distributed to the policyholders and/or the insured. The collective consolidation ratio consists of the market value of Alecta's assets as a percentage of its insurance obligations, calculated in accordance with Alecta's actuarial assumptions, which do not comply with IAS 19. Salaried employees in Qosmos France and Enea Germany are covered by a defined-benefit pension plan. The group's net obligation for defined-benefit plans is calculated by estimating future compensation accrued by employees in the current and earlier periods. This remuneration is discounted to present value. The liability for defined-benefit pension plans posted to the Balance Sheet corresponds to the present value of the defined-benefit obligation. Revaluation gains (losses) resulting from experience-based restatements and changes in actuarial assumptions are reported in other comprehensive income in the period in which they arise. Costs relating to employment in earlier periods are recognized directly in profit or loss.

Remuneration on Termination

In conjunction with notice of employment termination, a provision is recognized only if the company is contractually obligated to terminate an employment position before the normal time, or when payments are made as an offering to encourage voluntary termination. For cases in which the company implements personnel cutbacks, a detailed plan is prepared that covers at least the workplace concerned, positions, and the approximate number of affected employees and disbursements for every personnel category or position, as well as a time schedule for the plan's implementation.

Remuneration of Senior Executives

The guidelines for remuneration of senior executives are adopted by the Annual General Meeting. For the Executive Management Team, salaries and other employment conditions are applied based on market conditions. In addition to basic annual salaries, members of the group's Executive Management Team receive variable remuneration based on earnings performance in relation to predetermined targets. Remuneration of certain senior executives within the Enea group can also be paid in the form of share-based payment.

Share-based Payment

The group has three outstanding incentive programs from which payments are made in the form of shares, with the company receiving services from employees as payment for the group's equity instruments (shares). The fair value of the service that provides the employees with entitlement to granting of equity instruments is expensed over the vesting period. The Share Savings Program is measured using conventional models. For more information on the incentive program, also refer to Note 21.

Provisions

A provision is recognized in the Balance Sheet when the group has an existing legally enforceable or constructive obligation resulting from an event that has occurred, and it is probable that an outflow of economic resources will be required to fulfil the obligation and the amount concerned can be reliably estimated. If the effect of when payment is made is significant, the provision is measured by means of discounting of the anticipated future cash flow at a pre-tax interest rate that reflects current market assessments of the time value of money and, where applicable, the risks associated with the liability.

Restructuring

A provision for restructuring is recognized when the group has established a detailed and formal restructuring plan, and restructuring has either been commenced or announced publicly. No provisions are made for future operating expenses.

Onerous Contracts

A provision for onerous contracts is recognized when the anticipated rewards the group expected to receive from a contract are less than the unavoidable expenses to satisfy obligations pursuant to contract.

Taxes

Income taxes comprise current tax and deferred tax. Income tax is recognized in profit or loss, except when the underlying transaction is recognized directly against equity, in which case the related tax effect is recognized in equity. Current tax is tax to be paid or recovered for the current year using the tax rates already enacted or substantively enacted at the reporting date, including restatements of current tax attributable to earlier periods. Deferred tax is computed in accordance with the balance sheet method, based on temporary differences between carrying amounts and tax bases of assets and liabilities. The following temporary differences are not taken into account: temporary differences arising upon initial recognition of goodwill; initial recognition of assets and liabilities that are not business combinations and which at the time of the transaction did not affect either recognized or taxable gains. Temporary differences attributable to participations in subsidiaries that are not expected to be reversed in the foreseeable future are not taken into account. Measurement of deferred tax is based on how the carrying amount of underlying assets or liabilities is expected to be recovered or settled. Deferred tax is measured using the tax rates and regulations enacted or substantively enacted at the reporting date. Deferred tax assets pertaining to deductible temporary differences and tax loss carry-forwards are only recognized insofar as they are likely to be utilized in the future. The value of deferred tax assets is reduced when it is no longer probable that the assets can be utilized. Any additional income tax relating to dividends is recognized at the same date as the dividend is recognized as a liability.

Financial Risks

The greatest financial risks are liquidity risk, currency risk and interest rate risk. Enea has a Finance Policy established by the Board of Directors, which sets a framework of guidelines for managing financial risks. A detailed description of the financial risks is presented in the Directors' Report.

Earnings per Share

The measurement of earnings per share is based on consolidated profit for the year attributable to equity holders of the parent and on the weighted average number of shares outstanding during the year. When measuring earnings per share after dilution, earnings and the average number of shares is restated to take into account the dilutive effects of potential ordinary shares, which arise during reported periods from convertible debentures and warrants issued to employees. Dilution occurs only when the exercise price is lower than the share price. The exercise price is adjusted by means of a supplement for the value of future services linked to the equity-settled stock option programs recognized as share-based payments pursuant to IFRS 2.

Contingent Liabilities

A contingent liability is recognized when there is a possible obligation deriving from events that have occurred whose existence can only be confirmed if one or more uncertain future events occur or when there is a commitment that has not been recognized as a liability or entered as a provision because it is not likely that an outflow of resources will be required.

Parent Company's Accounting Policies

The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act. (1995:1554) and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for Legal Entities. According to RFR 2, the parent company, as the legal entity, must apply all of the EU-endorsed IFRS and statements insofar as possible within the framework of the Swedish Annual Accounts Act and taking into account the relationship between accounting and taxation. The recommendation indicates the exemptions and supplements that are to be made compared with IFRS. The differences between the group's and parent company's accounting policies are described below.

Differences between the Group's and Parent Company's Accounting Policies

The differences between the group's and parent company's accounting policies are reviewed below. The accounting policies stated below for the parent company were applied consistently in all periods presented in the parent company's financial statements.

Subsidiaries

Participations in subsidiaries are recognized in the parent company in accordance with the cost method. Dividends received are only recognized as revenue if they are derived from profits earned after acquisition. Dividends in excess of such earnings are regarded as repayment of the investment and reduce the carrying amount of the participating interest.

Dividends

Dividends to the parent company's shareholders are recognized as liabilities in the consolidated financial statements for the period in which the dividend is approved by the parent company's shareholders. Anticipated dividends from subsidiaries are recognized if the parent company has sole entitlement to decide on the size of the dividend and the parent company has made a decision on the size of the dividend before the parent company has published its financial statements.

Taxes

The parent company recognizes untaxed reserves including deferred tax liabilities. In the consolidated financial statements, however, untaxed reserves are divided into deferred tax liabilities and equity.

Group Contributions and Shareholder Contributions for Legal Entities

Shareholder contributions are entered directly in the equity of the recipient and are capitalized in shares and participations by the donor, to the extent that impairment is not required. Due to the correlation between recognition and taxation, group contributions paid by the parent company to subsidiaries are recognized as a financial cost in profit or loss. Group contributions received are recognized as appropriations. The tax effect is recognized in accordance with IAS 12

Note 2 Nature of Income and Operating Segment Reporting

Operating segments are reported consistent with internal reporting to the chief operating decision maker (CODM). The CODM is the function responsible for allocating resources and evaluating the performance of segments. In the group, this function has been identified as the CEO, and Enea reports the whole operation as a single segment.

Net sales by revenue type Network Solutions	**2023**	**2022**
Licenses	289 355	361 012
Support & maintenance	279 044	247 835
Professional services	182 832	191 980
	751 231	**800 827**

Net sales by revenue type Operating Systems	**2023**	**2022**
Licenses	109 674	77 666
Support & maintenance	46 744	45 303
Professional services	5 029	3 874
	161 447	**126 843**

Net sales by product group	**2023**	**2022**
Operating Systems	161 447	126 843
Network Solutions	751 231	800 828
	912 678	**927 670**

Net sales by region	**2023**	**2022**
Sweden	51 057	72 669
Finland	172 640	70 484
USA	215 403	282 882
Americas	34 980	146 373
EMEA excluding Sweden	398 889	314 903
Asia	39 709	40 359
	912 678	**927 670**

Fixed assets by region	**2023**	**2022**
Sweden	356 173	392 078
Americas	578 276	1 135 316
Ireland	509 306	521 406
France	408 621	416 721
Rest of Europe and Asia	10 655	12 584
	1 863 031	**2 478 105**

Other operating revenue	**2023**	**2022**
Exchange gains on operating receivables/liabilities	21 185	23 572
Government grants	304	13 413
Other	362	92
	21 851	**37 077**

Enea has a few major customers that account for a significant share of the company's sales. None of the company's customers accounts for 10 percent or more of the company's sales in 2023. Net sales by region is based on the geographical location of customers.

Note 3 Exchange Gains and Exchange Losses

	2023	2022
PARENT COMPANY		
Exchange gains on operating receivables/liabilities	-	-
Exchange losses on operating receivables/liabilities	-90	-

	2023	2022
GROUP		
Exchange gains on operating receivables/liabilities	21 185	23 960
Exchange losses on operating receivables/liabilities	-15 323	-22 000

Note 4 Employees and Other Senior Executives

The Annual General Meeting (AGM) in May 2023 resolved on the following guidelines for remuneration of senior executives:

Who the Guidelines Cover, and their Applicability

These guidelines for remuneration of senior executives cover the Chief Executive Officer and other members of group management. The guidelines should be applied to compensation agreed, and amendments to compensation previously agreed, after the guidelines have been adopted by the AGM 2023. Regarding employment terms in other legislatures than Sweden, the relevant adaptations should be made to comply with mandatory local regulation or practice, in order for the overall purpose of these guidelines to be met. These guidelines do not cover compensation resolved by the AGM. The Board of Directors is entitled to temporarily depart from these guidelines wholly or partly if there are special reasons for this in an individual case, and a departure is necessary to serve the company's long-term interests and sustainability, or to ensure the company's profitability. If such departure occurs, this should be stated in the Remuneration Report at the following AGM. These guidelines apply to the period from the AGM 2023 onwards. Matters regarding departure from the guidelines should be subject to consultation by the Remuneration Committee, and decision by the Board of Directors.

The Guidelines' Promotion of the Company's Business Strategy, Long-term Interests and Sustainability

Enea's ambition is to be a global software company, with a strong and leading position in those markets that it addresses, with yearly sales growth, high profitability and healthy cash flows. Organic growth is the foundation of operations, and work is ongoing to develop, rationalize and optimize it. Strategic and complementary acquisitions will be continuously screened, and if considered to add value for customers and shareholders within a well-considered risk level, Enea will attempt to execute such acquisitions. Enea's target is to maintain an EBIT margin of over 20 percent per year. EBIT margin will vary during quarters, keeping pace with growth. Growth and earnings will vary between years and quarters, mainly depending on how individual deals occur, and the progress of royalty streams. For more information on Enea's strategy, see www.enea.com
The Board of Directors' opinion is that the company's ability to attract, motivate and retain high-performing staff and managers is critical for successful implementation of the company's business strategy and protection of the company's long-term interests, including sustainability. This entails the company being able to offer competitive benefits packages. Total compensation should contain a variable component linked to the individual performance of staff and managers, but that is also synchronized with the company's profitability and long-term sustainability.

Forms of Compensation, etc.

Remuneration and other employment terms of senior executives should be at market levels. Remuneration consists of basic salary, variable remuneration and pensions. Additionally – and independent of these guidelines – the AGM is entitled to resolve on share or share price-based payments.

Fixed Basic Salary

The CEO and other senior executives shall be offered a fixed annual cash salary at a level that aims to attract and retain senior executives with the professional and personal skills required to promote Enea's results. The fixed salary shall, as a starting point, be determined per calendar year and normally reviewed annually.

Short-term Incentive Program (STI)

Enea's STI consists of three parts. Two of these parts relate to the company achieving specific targets, while one is determined by the achievement of individual targets. The majority of compensation is linked to the company's financial targets, while the individual part of compensation corresponds to a lesser proportion of them. The criteria applied relate to the company's targets for sales and EBIT, pursuant to the adopted annual financial statement. The criteria applying to the individual targets should be formulated prior to the end of the first quarter of the financial year the compensation relates to and should be as specific as the criteria relating to the company's targets. The criteria are designed to promote the company's business strategy, long-term interests, as well as sustainability, and accordingly, the company's long-term value creation. The outcome of compensation is subject to consultation by the Remuneration Committee and decided by the Board of Directors for the CEO. For other senior executives, the outcome of compensation is consulted and decided by the Remuneration Committee. Payment of compensation is as soon as possible after the Board meeting where the company's annual financial statement is adopted for the vesting year. Variable remuneration is not pensionable, nor used to calculate vacation pay. The company is not entitled to reclaim this compensation. For the CEO, the STI may be a maximum of 100 percent of fixed basic salary and may be a maximum of 50 percent of total compensation excluding the LTI. For other senior executives, the STI may be a maximum of 150 percent of fixed basic salary and may be a maximum of 60 percent of total compensation excluding the LTIP.

Long-term Incentive Program (LTI)

Senior executives are eligible for incentive programs that are basically share, or share price, related. An incentive program should be designed to increase participants' commitment to the company's progress and be implemented on market terms. Share and share price-related incentive programs are subject to AGM resolution, and accordingly, are not covered by these guidelines.

Pension

The agreed retirement age for the CEO is 67 years and there is no specifically agreed retirement age for other senior executives. Pension agreements for the CEO are decided by the Board of Directors following a proposal from the Remuneration Committee. Other senior executives in Sweden have pension agreements within the framework of the ITP plan with an expected retirement age of 65 years and pension provisions are related to the employee's salary. Other senior executives in countries other than Sweden may be covered by local pension plans in their respective home countries. In all cases, the pension shall constitute a maximum of 30 percent of the total remuneration excluding LTI. Pension premiums are paid on an ongoing basis. In addition to the above-mentioned pension benefits, the company has no pension obligations to senior executives. Senior executives employed in countries other than Sweden are covered by local pension plans in their respective home countries. These plans are in line with what is offered to other employees in the same countries. Thus, with regard to retirement age and any additional pension obligations, some deviations may be possible with regard to employment relationships subject to rules other than Swedish rules in cases where mandatory rules or local practice so require, whereby the overall purpose of these guidelines shall nevertheless be met.

Other benefits

Other benefits may include, inter alia, life insurance, medical insurance, car benefit and parking space. Premiums and other costs related to such benefits may not exceed 10% of the fixed annual salary.

Notice Period and Severance Pay

The employment or service contracts of senior executives should apply until further notice, or for a specific period. For the CEO, a six-month notice period applies for termination by the company. In addition to dismissal pay, the CEO is entitled to severance pay of six times fixed monthly salary. During the notice period, the employment contract and associated benefits apply. For other senior executives, maximum notice periods of nine months apply to termination by the company. Apart from dismissal pay, other senior executives are not entitled to severance pay. Applicable employment contracts and associated benefits apply during notice periods. Where severance pay is due, no other benefits are payable after the end of the notice period. The contract with the Executive Director runs until January 4, 2024.

Salary and Employment Terms of Employees

Consultation on the Board of Directors' proposal on guidelines for remuneration of senior executives considers salary and employment terms of the company's employees. Information on employees' total compensation, the components of such compensation, as well as increases and rates of increase of compensation over time, have been collated and served as part of the decision-support data for the Remuneration Committee and the Board of Directors when appraising the reasonableness of the guidelines and their ensuing limitations.

The Board of Directors' Proposed Guidelines for Remuneration of Senior Executives

The Board of Directors proposes that the AGM approves guidelines for senior executives with the following amendments to the guidelines applicable in 2023:

"The basis for the calculation of the fixed salary has been simplified, clarifications regarding pensions are made and it has been included the conditions under which other benefits can be paid out and that the criteria as far as the company´s goals are concerned regarding short-term incentive programs (STI) must be linked to the long-term goals decided by the Board of directors (previously sales and operating profit (EBIT)."

Average number of employees	2023 Total	2023 Of which men, %	2022 Total	2022 Of which men, %
Parent company	15	44	17	57
Subsidiaries	473	85	602	84
Group total	**488**	**83**	**619**	**83**
of which:				
Sweden	51	80	60	85
US	42	80	52	80
Romania	25	82	89	74
Japan	5	100	5	100
France	46	79	49	83
Germany	7	94	12	92
UK	59	88	70	89
Ireland	51	78	46	80
Croatia	87	85	92	86
Austria	9	89	10	90
Spain	5	100	5	100
Canada	16	77	13	69
Malaysia	7	85	5	80
India	61	87	91	84
Other countries	19	100	19	100
Group total	**488**	**83**	**619**	**83**

Gender division in executive management team	2023 Total	2023 Of which men, %	2022 Total	2022 Of which men, %
Board of Directors	6	67	7	57
Other senior excecutives	7	67	9	83

Salaries, other benefits and social security expenses	2023	2022
GROUP		
Salaries and benefits	456 031	482 217
Share-based payments	-11 404	6 342
Total salaries and remunerations*	444 627	488 559
* of which Board of Directors, CEO and other senior executives 1)	23 500	30 627
Pension expenses 2)	27 125	28 730
of which defined-benefit pension plans	932	1 169
of which defined-contribution pension plans	26 193	27 561
Other social security expenses	83 210	72 788
Total	**554 962**	**590 077**

Salaries, other benefits and social security expenses	2023	2022
PARENT COMPANY		
Salaries and benefits	19 086	21 131
Share-based payments	-3 185	-563
Total salaries and remunerations*	15 901	20 568
* of which Board of Directors, CEO and other senior executives 3)	10 288	14 072
Pension expenses 4)	4 583	5 279
of which defined-contribution pension plans	4 583	5 279
Other social security expenses	5 735	3 316
Total	**26 219**	**29 163**

1) Of the group´s salaries and benefits, SEK 837,000 (1,034,000) is variable remuneration for the group comprising the Board of Directors and CEO (including the Presidents and Boards of subsidiaries).

2) Of the group´s pension expenses, SEK 936,000 (1,933,000) is for the group comprising the Board of Directors and CEO.

3) Of the parent company´s salaries and benefits, SEK 837,000 (624,000) is variable remuneration for the group comprising the Board of Directors and CEO.

In accordance with the resolution of the Annual General Meeting, Board members elected by the AGM who are not employed by the company received the following remuneration in 2023.

	Director´s fee	Audit committee fee	Remuneration committee fee	Remuneration technique committee	Total
Anders Lidbeck (Chairman)	138	-	-	-	138
Kjell Duveblad	480	100	-	-	580
Jan Frykhammar	68	-	-	-	68
Charlotta Sund	270	-	50	-	320
Mats Lindoff	270	-	50	-	320
Åsa Schwarz	270	60	-	-	330
Total 2023	**1 496**	**160**	**100**	**-**	**1 756**

In accordance with the resolution of the Annual General Meeting, Board members elected by the AGM who are not employed by the company received the following remuneration in 2022.

	Director´s fee	Audit committee fee	Remuneration committee fee	Remuneration technique committee	Total
Anders Lidbeck (Chairman)	550	-	50	-	600
Kjell Duveblad	270	60	-	-	330
Jan Frykhammar	270	100	-	-	370
Charlotta Sund	270	-	30	-	300
Mats Lindoff	270	-	-	50	320
Åsa Schwarz	270	-	-	30	300
Total 2022	**1 900**	**160**	**80**	**80**	**2 220**

Summary of compensation and other benefits in 2023

	Fixed salary	Variable remuneration	Other benefits	Other remuneration	Severance pay	Share-based expenses
CEO Jan Häglund	1 790	837	3	-	3 380	-1 370
Acting CEO Anders Lidbeck	-	-	-	3 000	-	-
Other senior executives (9)	14 384	2 658	518	-		-3 854
Total 2023	**16 174**	**3 495**	**521**	**3 000**	**3 380**	**-5 224**

The number of senior executives has varied during the year. Until Anders Lidbeck was appointed CEO, compensation was paid to him in the form of a board fee.

Summary of compensation and other benefits in 2022

	Fixed salary	Variable remuneration	Other benefits	Other remuneration	Severance pay	Share-based expenses
CEO Jan Häglund	3 593	624	3	-	-	1 154
Other senior executives (9)	13 258	5 557	462	-	-	2 235
Total 2022	**16 851**	**6 181**	**465**	**-**	**-**	**3 389**

Note 5 Auditor's Remuneration

Auditing assignments are defined as examinations of the Annual Report and financial statements, as well as of the administration of the Board of Directors and CEO, other duties that the company's Auditors are obliged to conduct, and advice or other assistance required due to observations made during such reviews or during the performance of such other duties. All other work is defined as other assignments. Of Audit assignments, TSEK 2 887 (2 351) relates to PwC Sweden, of tax consulting, TSEK 129 (15) relates to PwC Sweden, and of other assignments, TSEK 0 (680) relates to PwC Sweden.

	2023	2022
GROUP		
PricewaterhouseCoopers		
Audit	2 887	2 351
Other statutory assignments	30	82
Tax consultancy	129	15
Other	-	680
	3 046	**3 128**

	2023	2022
PARENT COMPANY		
PricewaterhouseCoopers		
Audit	1 739	2 351
Other statutory assignments	30	82
Tax consultancy	129	15
Other	-	31
	1 898	**2 479**

Note 6 Operating Expenses by Type

	2023	2022
Consumables and subcontractors	16 840	56 906
Other external costs	193 314	138 709
Staff costs	508 983	534 480
Depreciation/amortization and impairment	714 862	175 444
	1 433 999	**905 539**

Depreciation/amortization and impairment losses for the year are allocated between cost of sold products and services totaling SEK 1.3 (1.3) million, sales and marketing expenses totaling SEK 0.3 (0.4) million, product development costs totaling SEK 688.9 (149.7) million and administrative costs totaling SEK 24.5 (24.1) million. SEK 18.2 (16.4) million of amortization and impairment of the year is for rights of use pursuant to IFRS 16 as well as write-downs of goodwill and balanced development costs of SEK 530.0 (0) million.

Note 7 Leases

Lease Arrangements

The following amounts related to leases are recognized in the Balance Sheet:

Right of use assets	2023	2022
Real estate	36 308	35 738
Vehicles	2 103	1 409
	38 411	**37 147**

Additional right-of-use assets during 2023 amounted to SEK 13.8 (18.2) million.

Lease liabilites	2023	2022
Long-term	22 329	23 437
Short-term	17 306	14 525
	39 635	**37 962**

Maturity analysis of lease liabilities	2023	2022
Within 1 year	17 324	14 525
More than 1 year but within 2 years	14 478	11 589
More than 2 years but within 5 years	6 688	10 629
More than 5 years	1 145	1 219
	39 635	**37 962**

The following amounts related to leases are recognized in the Income Statement:

Amortization of rights of use assets	2023	2022
Real estate	17 036	15 430
Vehicles	1 126	1 047
	18 162	**16 477**
Interest expenses (included in financial expenses)	2 008	1 129
Expenses related to short-term leases	1 306	1 525
Expenses related to leased assets where the underlying asset is of low value	259	326
The group has no variable lease payments		

Amount reported in cash flow for the group	2023	2022
Total cash flow related to leased assets	-17 750	18 254

The above cash flow includes payments for lease obligations reported in Balance Sheet as well as short-term leased assets and assets of low value.

Operating lease obligations	2023	2022
PARENT COMPANY		
Lease payments current year	5 169	5 107
Contracted future lease payments within 1 year	4 799	4 772
Contracted future lease payments within 1-5 years	4 752	9 189

The group recognizes rights of use for of these leases (mainly premises), apart from short-term leases and leases where the underlying asset has low value.

Note 8 Financial Net

	2023	2022
GROUP		
Interest income	54 564	4 832
Exchange gains	328 692	277 186
Financial income	**383 256**	**282 018**
Interest expenses	-81 066	-17 683
Other financial expenses	-921	-1 155
Exchange losses	-358 215	-280 351
Financial expenses	**-440 202**	**-299 189**
Financial net	**-56 946**	**-17 171**

	2023	2022
PARENT COMPANY		
Interest income, other	54 026	4 619
Interest income, group companies	63 483	12 901
Exchange gains	130 053	90 314
Financial income	**247 562**	**107 834**
Interest expenses, other	-78 755	-16 260
Interest expenses, group companies	-21 064	-3 302
Other financial expenses	-921	-1 155
Exchange losses	-129 250	-91 843
Financial expenses	**-229 990**	**-112 560**
Financial net	**17 572**	**-4 726**

Note 9 Tax

Income taxes recognized in the income statement	2023	2022
GROUP		
Current tax expense		
Tax expense for the period continued operatios	-14 271	-4 137
Tax expense for the period discontinued operations	-	-1 186
Total	**-14 271**	**-5 323**
Deferred tax		
-tax income in capitalized loss carry-forwards	7 161	6 634
-tax expense in loss carry-forwards used in the year	-10 589	-10 327
-tax expense/income related to temporary differences	23 395	11 991
-tax expense/income related to change of tax rate	-	3 823
Total	**19 967**	**12 121**
Total tax cost, group	**5 696**	**6 798**

Reconciliation of effective tax	2023	2022
GROUP		
Profit before tax continued operations	-556 416	100 969
Profit before tax discontinued operations	-	117 043
Standard tax rate 20.6%	114 622	-44 910
Tax effect of		
- other tax rates in foreign subsidiaries	-71 078	5 576
- use of capitalized loss carry-forwards	-7 161	-
- use of previously non-capitalized loss carry-forwards	16 428	6 664
- tax losses for which no deferred tax receivable reported	-55 102	-555
- recognition of future losses carried forward	7 161	6 634
- non-deductible costs	-79 181	-6 569
- non-taxable revenue	75 418	28 507
- research and development	7 355	16 738
Other tax	-2 766	-9 110
Adjustment of tax for previous years	-	3 823
Total tax cost, group	**5 696**	**6 798**
Effective tax rate	**1%**	**-7%**

	2023	2022
PARENT COMPANY		
Current tax		
Tax for the period	-68	-
Tax expense	**-68**	**-**

Reconciliation of effective tax	2023	2022
PARENT COMPANY		
Profit /loss before tax	831	-5 904
Tax 20.6%	-171	1 216
Tax effect of		
- non-deductible costs	-182	-908
- tax losses for which no deferred tax receivable reported	283	-283
Other tax	-	-25
Total tax cost, parent company	**-68**	**0**
Effective tax rate	**8%**	**0%**

Deferred tax assets and tax liabilities	2023	2022
GROUP		
The following components are included in deferred tax assets and liabilities		
Deferred tax assets:		
- loss carry forwards	12 748	16 380
- Leasing	224	144
- other temporary differences	167	5 877
Total deferred tax assets	**13 139**	**22 401**
Deferred tax liabilities:		
- temporary differences	92 410	116 298
Total deferred tax liabilities	**92 410**	**116 298**

Change in deferred tax

2023

Deferred tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Acquisition of subsidiaries	Closing balance
Loss carry-forwards	16 380	-3 428	-	-204	-	12 748
Leasing	144	70	-	10	-	224
Other temporary differences	5 733	-86	-	-5 480	-	167
Total deferred tax assets	**22 257**	**-3 444**	**-**	**-5 674**	**-**	**13 139**

Deferred tax liabilities	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Acquisition of subsidiaries	Closing balance
Appropriations	19 317	5 836	-	-	-	25 153
Intangible assets	47 571	-9 135	-	-152		38 284
Other temporary differences	49 410	-20 112	88	-413	-	28 973
Total deferred tax liabilities	**116 298**	**-23 411**	**88**	**-565**	**-**	**92 410**

2022

Deferred tax assets	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Acquisition of subsidiaries	Closing balance
Loss carry-forwards	18 233	-3 693	-	1 840	-	16 380
Leasing	149	-13	-	8	-	144
Other temporary differences	6 323	-1 126	12	668	-	5 877
Total deferred tax assets	**24 705**	**-4 832**	**12**	**2 516**	**-**	**22 401**

Deferred tax assets for loss carryforwards relate to subsidiaries in the US and Ireland. According to management's assessment, the capitalized deficit carry-forwards will be able to be used within the next few years based on future profit forecasts and that the deficit has an unlimited useful life. Uncapitalized deferred tax assets for unused deficits amount to a total of SEK 91.8 (100.7) million and relate to the USA, Norway and Ireland.

Note 10 Intangible Assets

2023	Goodwill	Capitalized development costs	Product rights	Customer contracts	Brands	Other intangible assets	Total
GROUP							
Accumulated cost							
Opening balance, Jan 1, 2023	1 737 088	800 692	114 753	416 664	30 180	12 766	3 112 143
Acquistion in the year	-	88 078	-	-	-	1 169	89 247
Sales/retirements in the year	-	-	-	-	-	-	-
Translation difference for the year	-34 986	-14 891	-1 465	-3 196	-579	-7	-55 124
Closing balance, Dec 31, 2023	**1 702 102**	**873 879**	**113 288**	**413 468**	**29 601**	**13 928**	**3 146 266**
Accumulated amortization and impairment							
Opening balance, Jan 1, 2023	-	-462 372	-55 120	-125 994	-998	-11 089	-655 572
Sales/retirements in the year	-	-	-	-	-	-	-
Amortization for the year	-	-94 631	-14 779	-44 750	-534	-519	-155 213
Impairment for the year	-420 585	-109 451	-	-	-	-	-530 036
Translation difference for the year	22 636	12 240	1 344	2 871	10	11	39 112
Closing balance, Dec 31, 2023	**-397 949**	**-654 214**	**-68 555**	**-167 873**	**-1 522**	**-11 597**	**-1 301 709**
Carrying amount, Dec 31, 2023	**1 304 153**	**219 666**	**44 733**	**245 595**	**28 080**	**2 331**	**1 844 557**

2022	Goodwill	Capitalized development costs	Product rights	Customer contracts	Brands	Other intangible assets	Total
GROUP							
Accumulated cost							
Opening balance, Jan 1, 2022	1 595 587	631 541	106 267	391 020	27 205	12 080	2 763 699
Acquistion in the year	-	128 814	-	-	-	1 725	130 539
Sales/retirements in the year	-29 524	-	-	-	-	-1 287	-30 811
Translation difference for the year	171 025	40 338	8 486	25 644	2 976	248	248 716
Closing balance, Dec 31, 2022	**1 737 088**	**800 692**	**114 753**	**416 664**	**30 180**	**12 766**	**3 112 143**
Accumulated amortization and impairment							
Opening balance, Jan 1, 2022	-	-361 802	-37 202	-76 302	-461	-11 499	-487 266
Amortization for the year	-	-88 640	-14 045	-42 666	-515	-330	-146 196
Impairment for the year	-	-	-	-	-	-301	-301
Translation difference for the year	-	-11 930	-3 873	-7 026	-22	-246	-23 097
Closing balance, Dec 31, 2022	**-**	**-462 372**	**-55 120**	**-125 994**	**-998**	**-11 089**	**-655 572**
Carrying amount, Dec 31, 2022	**1 737 088**	**338 321**	**59 633**	**290 670**	**29 183**	**1 677**	**2 456 571**

Other intangible assets	2023	2022
PARENT COMPANY		
Accumulated cost		
Opening balance, Jan 1	10 061	8 637
Acquistion in the year	1 169	1 424
Closing balance, Dec 31	**11 230**	**10 061**
Opening balance, Jan 1	-8 402	-8 094
Amortization for the year	-508	-308
Closing balance, Dec 31	**-8 910**	**-8 402**
Carrying amount, Dec 31	**2 320**	**1 659**

Capitalized development expenses within Enea relate mainly to internal work on the development of new products. The amortization term for capitalized development expenditure is five years, ten years for product rights, seven to ten years for customer contracts and three to five years for other intangible assets. The remaining amortization term for intangible assets amounts to one to nine years.

Impairment Testing of Goodwill and Intangible assets

Enea routinely conducts impairment tests on significant assets regardless of whether there is any indication of impairment. As of December 31, 2023, intangible assets amounted to a book value of MSEK 1,844.6 (2,456.6) whereof goodwill amounted to a book value of SEK 1 304,2 (1 737,1) million, allocated between Enterprise of SEK 398,6 (444,6) million, Telecom SEK 590,1 (976,2) million and AdaptiveMobile Security SEK 315,4 (316,3) million. Assets with indefinite useful lives are tested yearly for impairment. Individual assets may be subject to more frequent testing if there are indications of impairment. The group's measurement is based on three cash-generating units: Enterprise (OS and DPI/Qosmos), Telecom (PAC, Openwave Mobility and Aptilo) and AdaptiveMobile Security. The impairment tests are based on measurement of value in use. Value in use is measured on the basis of discounted cash flows and are based on group management's financial forecasts over a five-year period. The Gordon model has been used for computing the terminal value of cash flows. Cash flows beyond the five-year period have been forecast using a 2 (3) percent growth rate. Forecast cash flows are based on annual earnings growth for Enterprise of 1 percent, Telecom of 3 percent, and AdaptiveMobile Security of 3 percent, based on estimated growth of existing customers and underlying markets. The cost trend of Enterprise is forecasted at 2 percent, Telecom 2 percent and AdaptiveMobile Security at 2 percent. The present value of forecast cash flows was measured by applying a discount rate of 11.5 (10.5) percent before tax. The discount rate is judged as consistent with market required returns. Sensitivity analyses have been conducted that consider the discount rate (risk) and long-term growth rate, implying a general reduction in the growth rate after 5 years by 0.5 percentage points and a general increase in the weighted cost of capital by 0.5 percentage point. The sensitivity analyses performed by CGU did not indicate any impairment. Accordingly, management´s opinion is that a reasonable potential change in assumptions would not reduce the recoverable amount below book value. Important assumptions for impairment testing are outlined below:

	Assumptions Enterprise		Assumptions Telecom		Assumptions AdaptiveMobile Security	
Variable	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Revenue growth	1%	-2%	3%	5%	3%	5%
Cost trend	2%	2%	2%	3%	2%	2%
Discount rate	11.5%	10.5%	11.5%	10.5%	11.5%	10.5%
Long-term stable growth	2%	3%	2%	3%	2%	3%

During the second quarter, a strategic review of the operations within the Telecom unit was carried out, to assess the future potential of completed investments. The review showed that due to delays in the 5G market, deteriorating macroeconomic outlook and increased required return (WACC), a revaluation of future cash flows and additionally occupied assets needed to be done. This resulted in a write-down of intangible assets during the second quarter with a total of SEK 530 million, divided between goodwill of SEK 421 million and balanced development costs of SEK 109 million.

Note 11 Equipment, Tools, Fixtures and Fittings

	Group		Parent company	
	2023	**2022**	**2023**	**2022**
Accumulated cost				
At beginning of year	170 630	166 680	16 966	16 576
Acquistion in the year	8 962	7 669	1 789	1 342
Sale in the year disposal of business	-	-6 295	-	-
Sales/retirements	-41 825	-5 931	-68	-952
Transkation difference for the year	738	8 506	-	-
	139 237	**170 630**	**18 687**	**16 966**
Accumulated depreciation and impairment				
At beginning of year	-149 097	-141 045	-13 273	-12 604
Sales/retirements	40 702	5 994	68	651
Sales via divestment of business	-	5 681	-	-
Depreciation and impairment for the year	-11 012	-12 451	-1 489	-1 320
Translation difference for the year	-624	-7 276	-	-
	-120 763	**-149 097**	**-14 694**	**-13 273**
Carrying amount at end of year	**18 474**	**21 533**	**3 993**	**3 693**

Depreciation relates to cost of sold products and services, sales and marketing expenses, product development expenses and administrative expenses.

Note 12 Accounts Receivables

Non-overdue accounts receivable refers to customers with good payment ability and payment history. Accounts receivable are generally due for payment within 30–90 days. Trade receivables where there is a need for write-down are consistent with the provision for doubtful trade receivables. A reservation is made when measures have been taken to collect the claim without results and the probability of the customer paying is low. Reserve for doubtful accounts receivable amounts to SEK 26.7 (10.6) million. Provision for doubtful accounts receivable is reported as sales expenses in the income statement. Fair value for accounts receivable corresponds to reported value. Accounts receivable are predominantly in kroner, EUR and USD. The age distribution of accounts receivable is shown below:

Age analysis of accounts receivables	**2023**	**2022**
GROUP		
Not due	119 303	204 408
Overdue 1-60 days	64 059	48 174
Overdue 61-90 days	10 799	3 932
Overdue 90 days	34 578	36 202
Text	**228 739**	**292 716**

Change in doubtful debt	**2023**	**2022**
GROUP		
Opening balance	10 644	10 094
Adjustment opening balance	-	-
Repayment	-1 091	-1 000
Write -off	-	-1 602
Currency effect	-769	1 195
Allowance for the year	17 883	1 957
Total	**26 667**	**10 644**

Note 13 Prepaid Expenses, Contract Assets and Accrued Income

	2023	2022
GROUP		
Prepaid insurance	1 537	1 480
Prepaid rent	3 119	3 026
Accrued income	112 215	176 836
Other prepaid expenses	23 367	23 155
	140 238	**204 497**

	2023	2022
PARENT COMPANY		
Prepaid insurance	556	451
Prepaid rent	1 285	1 212
Other prepaid expenses	8 188	8 793
	10 029	**10 456**

Contract Assets

The group reports the following revenue-related contract assets	2023	2022
Contract assets relating to fulfilled performance obligations, where entitlement to payment is conditional on factors other than time	110 980	175 029

Contract assets
Contract assets refer to fulfilled performance obligations that have not yet been invoiced, where invoicing is dependent on factors other than time such as contractual terms or additional work. Contract assets are recognized in the balance sheet under accrued income. Contract assets have been subject to impairment of SEK 41.7 million (0) related to a prematurely terminated customer project.

Note 14 Equity

Group

Share Capital

As of 31 December 2023, the registered share capital comprised 21,615,231 ordinary shares with a quota value of SEK 1.13 and 243,000 C shares. Holders of ordinary shares are entitled to a dividend which is determined on a case-by-case basis and the shareholding entitles them to voting rights at the annual general meeting with one vote per share.

Other Paid-up Capital

Equity contributed by owners. This includes share premium reserves transferred to the statutory reserve as of December 31, 2005. Provisions to the share premium reserve from January 1, 2006 onwards are also recognized as paid-up capital.

Number of shares	2023	2022
Opening number of shares	21 858 231	21 615 231
New share issue	-	243 000
Closing number of shares	**21 858 231**	**21 858 231**

Hedging reserve	2023	2022
Opening hedging reserve	-340	851
Cash flow hedges:		
- fair value gains/losses in the year	661	-2 497
- tax on fair value adjustments	-136	514
- transfers to profit or loss	-233	997
- tax on transfers to profit or loss	48	-205
Closing hedging reserve	**-0**	**-340**

Translation Reserve

The translation reserve includes all exchange rate differences that arise when translating net assets from foreign operations that have prepared their financial statements in currencies other than the currency in which the group's financial reports are presented. The parent company and group present their financial reports in Swedish kronor.

	2023	2022
Opening translation reserve	353 556	74 206
Translation difference for the year	-22 000	279 350
Closing translation reserve	**331 556**	**353 556**

Retained Earnings Including Profit for the Year

Profit brought forward, including profit (loss) for the year, includes earned profits in the parent company and its subsidiaries. Earlier provisions to the statutory reserve, excluding transferred share premium reserves, are included in this equity item. The total holding of treasury shares as of December 31, 2023, was 813 107. The shares are held as treasury shares and were fully paid up on December 31, 2023.

Non-restricted Equity

Share Premium Reserve

When shares are issued at a premium, so the price paid for the shares is higher than their quotient value, an amount corresponding to the amount received over and above the quotient value of the share is transferred to the share premium reserve.

Retained Earnings

This consists of the preceding year's non-restricted equity following any statutory reserve provision and dividends paid. With the profit (loss) for the year, this is total non-restricted equity, i.e., the amount available as dividends to shareholders.

See also the Consolidated Statement of Change in Equity and Parent Company Statement of Change in Equity.

Note 15 Earnings per Share

	2023	2022
Earnings per share before dilution		
Profit for the year after tax	-550 720	224 810
Average number of shares, 000	21 349	21 559
Earnings per share before dilution, SEK	-25.80	10.43
Earnings per share after dilution		
Profit for the year after tax	-550 720	224 810
Average number of shares, 000	21 349	21 559
Earnings per share after dilution, SEK	-25.80	10.43
Earnings per share before dilution continued operations		
Profit for the year after tax continued operations	-550 720	108 953
Average number of shares, 000	21 349	21 559
Earnings per share before dilution, SEK	-25.80	5.05
Earnings per share after dilution continued operations		
Profit for the year after tax continued operations	-550 720	108 953
Average number of shares, 000	21 349	21 559
Earnings per share after dilution, SEK	-25.80	5.05

Earnings per share is measured by dividing earnings for the period attributable to equity holders of the parent by the average number of shares.

Note 16 Accrued Expenses, Contract Liabilities, Deferred Income and Performance Obligations

	2023	2022
GROUP		
Deferred support income	92 863	96 015
Accrued staff costs	77 990	90 725
Other deferred income	59 495	35 163
Other	20 047	26 473
	250 395	**248 376**

	2023	2022
PARENT COMPANY		
Accrued staff costs	6 233	7 493
Other	9 562	5 757
	15 795	**13 250**

Contract Liabilities

When Enea receives a payment but has not fulfilled a performance obligation, a contract liability arises, which consist of the deferred income relating to support contracts and licenses. A contract liability is recognized until the performance obligations is fulfilled, or become due for the customer to utilize, when it is recognized as revenue.

The group recognizes the following revenue-related contract liabilities	2023	2022
Contract liabilities relating to unfulfilled performance obligations	146 427	124 925

Opening contract liabilities recognized as revenue in the year	2023	2022
GROUP	112 084	139 760

Revenue from performance obligations satisfied in previous periods	2023	2022
GROUP	22 830	18 143

Unfulfilled long-term performance obligations*	2023	2022
GROUP	714 512	693 403

Revenue from performance obligations for long-term, irrevocable contracts that will be recognized as revenue in future periods.

The management expects that 57 percent of the transaction price that has been allocated to unfulfilled agreements as of December 31, 2023 will be reported as revenue in the next fiscal year (SEK 408,552 thousand). The remaining 43 percent will be reported in the years 2025–2029.

Note 17 Parent Company Holdings in Group Companies

	Country	Ownership %
Enea Software AB	Sweden	100
Enea Zealcore AB	Sweden	100
Aptilo Networks AB	Sweden	100
Enea Software & Services, Inc	USA	-
Enea GmbH	Germany	100
Enea KK	Japan	100
Enea Polyhedra Ltd	UK	100
Enea Software SRL	Romania	100
Qosmos SA	France	-
Qosmos Tech SAS	France	100
Openwave Mobility Inc	USA	100
AdaptiveMobile Security Ltd	Ireland	100
Enea Software GmbH	Austria	100
Enea Software d.o.o.	Croatia	100

	2023	2022
Accumulated cost		
At beginning of year	367 212	367 212
Closing balance, December 31	**367 212**	**367 212**
Accumulated impairment		
At beginning of year	-158 596	-158 596
Closing balance, December 31	**-158 596**	**-158 596**
Carrying amount at end of year	**208 616**	**208 616**

Spedification of parent company´s holdings of participations in subsidiaries	**No of shares**	**%**	**Carrying amount 2023**	**Carrying amount 2022**
Subsidiaries Enea Software AB, 556183-3012, Kista	5 900	100	208 616	208 616
			208 616	**208 616**

Note 18 Cash Flow Statement

Cash and Cash Equivalents

The subcomponents included in cash and cash equivalents are cash at bank and special deposits or commercial paper with an insignificant risk of fluctuations in value and that can readily be converted into cash and cash equivalents, and which have a maturity of no more than three months from the time of acquisition.

	Group		Parent company	
Cash and cash equivalents	**2023**	**2022**	**2023**	**2022**
Cash and bank balances	261 791	231 302	75	64
Total	**261 791**	**231 302**	**75**	**64**

	Group		Parent company	
Disclosures on interest	**2023**	**2022**	**2023**	**2022**
Interest income in the period amounted to	54 464	4 690	117 487	17 520
Interest paid in the period amounted to	-81 978	-18 721	-101 270	-20 751

	Group		Parent company	
Adjustment for non-cash items	**2023**	**2022**	**2023**	**2022**
Depreciation/amortization and impairment	714 424	175 425	1 997	1 628
Profit/loss sale from disposal of subsidiaries	-	-116 840	-	-
Profit/loss sale from disposal of fixed assets	1 025	124	-	301
Share saving program	-12 696	6 343	-12 696	6 343
Appropriations	-	-	212	-55 925
Changes in pension lliability	1 447	1 700	-	-
Provisions	-2 272	2 328	-	-
Interst not paid	821	548	821	548
Exchange differences	-1 292	-314	-	-
Total	**701 457**	**69 314**	**-9 666**	**-47 105**

Note 19 Related Parties

Summary of Transactions with Related Parties

Transactions with related parties are on arm's length basis. For information on remuneration of key personnel in executive positions, see Note 4 Employees and personnel expenses, and Note 21 Pensions, share-based payment, benefits to senior executives. The parent company has a close relationship with its subsidiaries (see Note 17).

Group

There were no transactions with related parties.

Parent Company

Related party relationship	Year	Sale of goods and services to related party	Purchase of goods and services from related party	Liability to related party as of Dec 31	Receivable from related party as of Dec 31
Subsidiaries	2023	63 210	19 448	104 679	1 163 235
Subsidiaries	2022	37 845	25 915	52 605	1 230 844

Note 20 Pensions and Share-based Payments

Defined-contribution Plans

The methods for measuring pension expenses and pension liabilities differ from country to country. Companies report according to local regulations and the reported figures are consolidated in the consolidated financial statements. All pension solutions in foreign subsidiaries, with the exception of Qosmos in France and Enea GmbH in Germany, are defined-contribution plans, which means that the group's profit (loss) is charged with pension expenses as benefits are vested. Salaried employees in Sweden are covered by the ITP plan, which is reported as a defined-contribution pension plan. Obligations for retirement pension and survivors' pension for salaried employees in Sweden are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is a multi-employer defined-benefit plan. Alecta, which is a mutual insurance company that also administers benefits under the pension plan, is unable to provide Enea or other Swedish companies with sufficient information to determine an individual company's share of the total obligation and its assets. Accordingly, ITP pension plans that are vested through an insurance policy with Alecta are reported as defined contribution. The cost for 2023 amounts to TSEK 4 211 (4 717). The cost for 2024 is estimated at the corresponding amount. Alecta's surplus can be distributed to policyholders and/or the insured. At the end of 2023 Alecta's surplus in the form of its collective consolidation ratio amounted to 158 (172) percent. The collective consolidation ratio consists of the market value of Alecta's assets as a percentage of its insurance obligations, calculated in accordance with Alecta's actuarial accounting assumptions, which do not comply with IAS 19.

Defined-benefit Plans

A number of salaried employees of France and Germany are covered by a defined-benefit pension plan. The group's net obligation for defined-benefit plans is measured by estimating future benefits accrued from employment in current and previous periods. These benefits are discounted to present value and recognized as a liability in the Balance Sheet.

	Group		Parent co.	
	2023	2022	2023	2022
Costs for defined-contribution plans	26 193	20 264	4 583	5 279
Costs for defined-benefit plans	932	1 169	-	-

Share-based payment

LTIP 2021

In May 2021, the AGM resolved to offer key employees the opportunity to participate in a Long-Term Incentive Program (LTIP). The principal objective of the program is to align the interests of shareholders, management and other key individuals in order to maximize long-term value creation. LTIP 2021 is also expected to facilitate the recruitment and retention of management and other key individuals. LTIP 2021 involves some 30 employees, consisting of senior executives and other key individuals. Participants are allocated performance-based warrants that entitle the holder the right to subscribe for shares. After the end of the fixed vesting period, on condition that specific performance requirements are met, participants are entitled to receive shares in the company free of charge. The allocation of shares requires continued employment with the Enea group during the vesting period. The granting of shares is conditional on specific performance requirements linked to Enea's yearly growth of earnings per share. The maximum value conferring full entitlement is Enea's accumulated earnings per share in 2021-2023 being a minimum of SEK 29.86. The minimum level for granting is that accumulated earnings per share are a minimum of SEK 24.75 in 2021-2023. In addition to the main principle, there is an alternative rule that comes into effect if outcomes per year generate better earnings than the main principle. In the alternative rule, the years 2021, 2022 and 2023 are computed separately, with a maximum of 1/4 of full granting available based on growth of earnings per share for each year. A condition for application of the alternative rule is that the total shareholder return (TSR) during the term of LTIP 2021 is positive. The total shareholder return shall be calculated as the "closing price" minus the "starting price", where the starting price corresponds to the volume-weighted average price of Enea´s share during the 10 trading days immediately following the Annual AGM on 6 May 2021, and the closing price corresponds to the volume-weighted average price of Enea's share during the last trading days in March 2024, with any dividends resolved after the AGM 2021. Participants will receive allocation according to the most advantageous alternative for them. The maximum value participants can receive per warrant (including any compensation for extraordinary dividends) has been capped at SEK 943. In the event that the value of the Enea share exceeds the maximum value at the time of allocation, the number of shares each warrant entitles the holder to reduces proportionally. To secure the Program, a decision was made to issue and repurchase C-shares. The number of shares that can be transferred to participants under the Program, free of charge, has been capped at 243,000.

LTIP 2021	2023	2022
Opening no. of warrants allocated	179 000	231 000
Forfeited in the period	-69 000	-60 000
Allocated in the period	-	8 000
Outstanding at end of period	110 000	179 000
Number of participants, Dec 31	17	24

Estimated outcome in the program is 0%. Total balanced provision for outstanding programs amounts to SEK 0 M at the end of the period, whereby the profit effect of reversed provisions amounts to SEK 12.6 M.

Note 21 Translation Exposure

Enea's foreign subsidiaries are translated into Swedish kronor in accordance with the current method. This means that Balance Sheets are translated at closing day rates and Income Statements at average rates of exchange for the period.

The rates used for the group's significant currencies are stated in the table below.

	Closing day rate		Average rate	
Currency	**2023**	**2022**	**2023**	**2022**
EUR	11.0960	11.1283	11.4765	10.6317
USD	10.0416	10.4371	10.6128	10.1245
GBP	12.7680	12.5811	13.1979	12.4669
JPY	0.0710	0.0792	0.0756	0.0771
RON	2.2301	2.2495	2.3196	2.1560
SGD	7.6047	7.7748	7.9012	7.3368
INR	0.1207	0.1262	0.1285	0.1287
MXN	0.5926	0.5353	0.5992	0.5036
CAD	7.5782	7.7060	7.8637	7.7712
HRK	-	1.4764	-	1.4066
MYR	2.1853	2.3658	2.2144	2.2974
NOK	0.9871	1.0572	1.0054	1.0523

When recalculating foreign subsidiaries' balance sheets to Swedish kronor, the group is exposed to fluctuations in exchange rates. The effect on equity in 2023 when recalculating foreign subsidiaries' accounts to Swedish kronor amounted to SEK -2,000 (279,350) thousand. The group's equity exposure to exchange rate fluctuations was as follows on the balance sheet date:

	2023		2022	
Currency	**Amount**	**Translated to SEK at closing day rate**	**Amount**	**Translated to SEK at closing day rate**
EUR	53 538	594 058	50 447	561 389
USD	6 793	68 213	28 575	298 240
GBP	14 885	190 052	14 177	178 362
JPY	91 538	6 497	85 725	6 787
RON	433	966	613	1 379
SGD	333	2 532	316	2 457
INR	103 738	12 521	75 833	9 568
MXN	646	383	646	346
CAD	333	2 524	276	2 127
HRK	-	-	5 395	7 965
MYR	-3 894	-8 510	-4 582	-10 840
NOK	-	-	178	188

Note 22 Critical Estimates and Judgements

Estimates and judgements, which are reviewed continuously, are based on historical experience and other factors, including expectations of future events that are considered reasonable in prevailing circumstances.

Critical Judgments Regarding Application of the Group's Accounting Policies

Management has discussed the progress, choice and disclosures regarding the group's most important accounting policies and estimates, and the application of these policies and estimates with the Audit Committee. The estimates and judgements mainly include revenue recognition, the measurement of deferred tax assets on loss carry-forwards, the financial effect of business combinations such as. acquisition analysis, and the estimated outcome of contingent considerations, and any impairment. Some important accounting estimates made on application of the group's accounting policies are described below.

Key Sources of Estimation Uncertainty
Impairment Testing of Goodwill

When measuring the recoverable number of cash-generating units for judging goodwill impairment, a number of assumptions have been made regarding future conditions and estimates of parameters. Enea has conducted a sensitivity analysis of key assumptions in which management found that no reasonable changes to these assumptions would result in any impairment as of December 31, 2023. They are reviewed in Note 10.

Impairment Testing of Capitalized Development Expenditure

When measuring the recoverable number of cash-generating units for judging impairment of capitalized development expenditure, a number of assumptions have been made regarding future conditions and estimates of parameters. Enea has conducted a sensitivity analysis of key assumptions in which management found that no reasonable changes to these assumptions would result in any impairment as of December 31, 2023.

Assessment of accounts receivable and contract assets

Enea makes continuous assessments of risks and willingness to pay in both the market and specific customers. Assessments of doubtful receivables are presented in Note 12. Customer contracts are written with caution and accuracy to minimize the risk of credit losses. The sales process includes credit checks and continuous monitoring of the projects' commitments.

Measurement of Loss Carryforwards

The group's loss carry-forwards are valued on an ongoing basis and when it is likely that taxable profit can be offset against loss carryforwards in a reasonable time frame, a deferred tax asset is recognized. Future profit is forecast and set in relation to the loss carry-forwards, which forms the basis of decision-making data for capitalization.

Note 23 Maturity Analysis, Financial Liabilities and Interest

Financial liabilities	**Group**		**Parent company**	
Long-term liabilties, interest-bearing	**2023**	**2022**	**2023**	**2022**
Liabilities to credit institutions*	443 840	545 132	443 840	545 132
Total long-term liabilities, interest-bearing	**443 840**	**545 132**	**443 840**	**545 132**
Current liabilities, interest-bearing	**2023**	**2022**	**2023**	**2022**
Liabilities to credit institutions*	27 055	6 622	27 055	6 622
Total current liabilities, interest-bearing	**27 055**	**6 622**	**27 055**	**6 622**
Current liabilities, non-interest-bearing	**2023**	**2022**	**2023**	**2022**
Accounts payable	13 749	21 552	2 661	7 641
Other liabilities	13 532	23 456	922	1 370
Accrued expenses, supplier related	13 617	15 548	1 718	5 757
Total current liabilites, non-interest-bearing	**40 898**	**60 556**	**5 301**	**14 768**
Total financial liabilities	**511 793**	**612 310**	**476 196**	**566 522**

Maturity analysis	**Group**		**Parent company**	
Long- and short-term interest-bearing liabilities	**2023**	**2022**	**2023**	**2022**
Within 1 year of reporting date	27 055	36 622	27 055	36 622
More than 1 year, but within 3 years of reporting date	443 840	515 132	443 840	515 132
More than 3 years, but within 5 years of reporting date	-	-	-	-

	Group		**Parent company**	
Interest	**2023**	**2022**	**2023**	**2022**
Within 1 year of reporting date	23 532	20 090	23 532	20 090
More than 1 year, but within 3 years of reporting date	7 844	26 645	7 844	26 645
More than 3 years, but within 5 years of reporting date	-	-	-	-

	Group		**Parent company**	
Non-interest-bearing liabilities	**2023**	**2022**	**2023**	**2022**
Within 1 year of reporting date	40 898	60 556	5 301	14 768
More than 1 year, but within 3 years of reporting date	-	-	-	-
More than 3 years, but within 5 years of reporting date	-	-	-	-

	Group		**Parent company**	
Total liability and interest	**2023**	**2022**	**2023**	**2022**
Within 1 year of reporting date	91 485	117 268	55 888	71 480
More than 1 year, but within 3 years of reporting date	451 684	541 777	451 684	541 777
More than 3 years, but within 5 years of reporting date	-	-	-	-

* Enea has two bank loans with maturity 3 years with an interest at STIBOR 3 M (with a floor) plus a market yield.

Note 24 Obligations Relating to Employee Benefits, etc.

The group has defined-benefit pension plans for employees of Qosmos in France and Enea GmbH in Germany. The pension plans are based on employees' pensionable compensation and term of service. The defined-benefit obligation amounted to SEK 9.0 (9.1) million as of December 31, 2023. Costs for defined-benefit pensions totaled TSEK 932 (1,169), of which SEK 932 (1,169) was charged to Enea's profit. The costs for 2024 are estimated at approx. EUR 100,000.

2022	Defined benefit pension plans
GROUP	
Accumulated cost	
Opening balance, Jan 1, 2023	9 096
Value change/currency translation	-46
Closing balance, Dec 31, 2023	**9 050**

Defined benefit pension plans are judged to be payable after more than 5 years.

	Group	
Defined benefit obligations	**2023**	**2022**
Present value of unfunded defined benefit obligations	9 050	9 096
Total liability, unfunded obligations	**9 050**	**9 096**

	Group	
Actuarial assumptions, %	**2023**	**2022**
Discount rate	3.59	3.88
Future salary increase	-	-

Note 25 Proposed Appropriation of Profits

	2023
Parent company, in SEK	
Share premium reserve	562 748 745
Retained earnings	206 971 808
Profit/loss for the year	762 484
Total	**770 483 037**

The Board of Directors is proposing that these funds are appropriated so that SEK 770,483,037 is carried forward.

Note 26 Pledged Assets and Contingent Liabilities

	2023	2022
GROUP		
Claim for damage	16 528	17 179
Other exposure	39 876	33 735
Rent deposits	1 809	2 123
	58 213	**53 038**

Declaration by the Board of Directors and CEO

The Board and CEO declare that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards, IFRS, as endorsed by the EU, and the Swedish Annual Accounts Act, and give a true and fair view of the group's results of operations and financial position. The Directors' Report for the group and parent company gives a true and fair view of the progress of the group and parent company's operating activities, financial position and results of operations, and covers significant risks and uncertainties affecting the parent company and companies within the group. As stated above, the annual accounts and consolidated accounts were approved for issue by the Board of Directors on April 5, 2023. The Consolidated Income Statement and Consolidated Balance Sheet, and the Parent Company Income Statement and Parent Company Balance Sheet, will be subject to adoption by the Annual General Meeting on May 7, 2023.

Stockholm, Sweden April 8, 2024

Enea AB (556209-7146)

Kjell Duveblad

Chairman of the Board

Mats Lindorff

Board member

Åsa Schwarz

Board member

Charlotta Sund

Board member

Jenny Andersson

Employee representative

Anders Lidbeck

Board member
President and acting CEO

Our Audit Report was presented on April 11, 2024

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg

Authorized Public Accountant

Audit Report *Unofficial translation*

To the Annual General Meeting of the shareholders of Enea AB (publ.), corporate identity number 556209-7146

Report on the Annual Accounts and Consolidated Accounts

Opinions

We have audited the annual accounts and consolidated accounts of Enea AB (publ) for the year 2023 except for the corporate governance statement on pages 50-59 and sustainability report on pages 30-45. The annual accounts and consolidated accounts of the company are included on pages 25-103 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of December 31, 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of December 31, 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 50-59 and sustainability report on pages 30-45. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the Statement of Comprehensive Income and Balance Sheet for the parent company and the Consolidated Statement of Comprehensive Income and the Consolidated Balance Sheet.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our Audit Approach

Scope and Focus of Audit

Enea is a software company that sells software and related services. The customer agreements often contain a combination of software license and services, so-called bundled customer agreements. For this type of customer agreement, control is transferred for each part of the agreement at different times. The income statement is therefore dependent on the contractual terms and thus the income for each part is reported on different occasions and invoicing, and payment takes place at a different time than the income statement. All in all, this means that the revenue recognition of bundled customer agreements is dependent on the management's assessments regarding the distribution of revenue on various sub-components, as well as what has been agreed with the customer. In recent years, Enea has carried out several acquisitions which have led to an increase in the book value of intangible assets in the consolidated accounts. The value of these assets is tested annually for impairment or when there are indications of a need for impairment.

We prepared our audit by defining materiality and evaluating the risk of material misstatements in financial reporting. We focused on areas where the Managing Director and Board of Directors have made subjective judgments, such as key accounting estimates on the basis of assumptions and forecasts, which are by their nature uncertain. Like for all audits, we also considered the risk of the Board of Directors and the Managing Director overriding internal control, and factors such as whether there is any evidence for systematic departures that have given rise to material misstatement resulting from fraud.

We adjusted our audit to conduct an expedient examination in order to comment on the financial statements as a whole, with consideration given to the group structure, accounting procedures and controls, and the sector in which the group is active.

Materiality

The scope and focus of the audit were affected by our assessment of materiality. An audit is designed to obtain reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually and in aggregate, they can reasonably be expected to influence financial decisions made by users on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including thresholds for the financial statements as a whole (see table below). Based on these thresholds, as well as qualitative considerations, we determined the focus and scope of the audit and the nature, timing and scope of our audit procedures, and assessed the effect of any misstatements, both individually and in aggregate, on the financial statements as a whole.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Key Audit Matters

Accounting for bundled customer agreements

Bundled customer agreements can consist of several different sub-components such as software license, implementation and the right in the form of support and maintenance during the agreement period. The agreements are therefore divided into sub-components where the income is distributed between the respective parts of the agreement. The income for each sub-component is then reported when the risks and benefits have been transferred to the customer. This means that the timing of revenue recognition usually does not coincide with invoicing and payment from the customer. This means that the management must make estimates and judgments regarding the price of the various components of the customer agreements. As a result of the inherent complexity of revenue reporting and the element of estimates and judgments from company management, we have assessed revenue from the sale of bundled customer agreements as a key audit matter in the audit.

For the accounting principles stated above, we refer you to page 69, as well as notes 2, 13, 17 in the Annual Report for 2023.

How our audit addressed the Key audit matter

In our audit, we have focused on evaluating Enea's principles and underlying assumptions for allocate revenue from bundled customer agreements into different components, as well as reviewing and checking selected assumptions.

We have done this by taking the following audit measures:

- Evaluated the terms of the customer agreements from an accounting perspective.
- Evaluated assumptions in principles for revenue recognition.
- Analytical review of the revenues over the year.
- Reviewed a selection of new customer agreements to ensure that the revenue recognition of these followed Enea's principles, and that the license rights were transferred to the customer at the time of revenue recognition.
- Examined a selection of new customer agreements that run over several years to ensure correctly calculated accruals in the accounts.
- Verified that revenue was recognized in the correct period and at the correct amount by testing a sample of licenses delivered to customers at the end of the financial year.

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Impairment Testing of goodwill and intangible assets

In the group's balance sheet, acquisition-related surplus values and goodwill are reported at a value of SEK 12,457 million. Goodwill and acquisition-related excess values correspond to the difference between the value of net assets and the purchase price paid for an acquisition. Unlike other fixed assets, there is no amortization of goodwill without goodwill and brands are tested annually for impairment or when there is an indication of the need for impairment. Other acquisition-related fixed assets are depreciated over the estimated useful life. The test, and thus reported values, are dependent on the board's and management's assessments and assumptions, e.g. about growth and future profitability and discount rate. Future events may change these assessments and estimates, and it is therefore particularly important for management to continuously evaluate whether the value of the acquisition-related intangible assets can be justified taking into account the assumptions made. The management's calculation of the asset's value in use is based on next year's budget and forecasts for the following four years.

A more detailed description of these assumptions appears in note 10. Impairment tests naturally contain a greater element of estimates and judgments from company management, which is why we have assessed this as a key audit matter in our audit.

For the accounting principles stated above, we refer you to page 76 and note 10 in the Annual Report for 2023.

In our audit, we have devoted particular focus to how the company's management examines the need for write-downs and which excess values have been identified. We have, among other things, took the following audit measures:

- Evaluated Enea's process for testing goodwill and acquisition-related assets for impairment.
- Reviewed how company management identified cash-generating units and compared this with how Enea follows up goodwill and acquisition-related assets internally.
- Evaluated the reasonableness of assumptions made and carried out sensitivity analyzes for changed assumptions.
- Evaluated the reasonableness of the discount rate used with the help of our internal business valuation specialists.
- Compared calculated value in use with market value as of 31 December 2023.
- Evaluated management's forecasting ability by comparing previously made forecasts against outcomes.
- Based on materiality confirmed that sufficient note information is provided.

Other Information than the Annual Accounts and consolidated accounts

This document also contains other information than the annual report and consolidated accounts and can be found on pages 2-23 and 109-114 respectively. The information in the compensation report published on Enea's website is also other information. The board and the managing director are responsible for this other information.

Our statement regarding the annual report and the consolidated accounts does not include this information and we do not make any assurance statement regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. During this review, we also take into account the knowledge we have otherwise acquired during the audit and assess whether the information otherwise appears to contain material inaccuracies.

If, based on the work done on this information, we conclude that the other information contains a material misstatement, we are required to report this. We have nothing to report in that regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report**.**

Report on other legal and regulatory requirements

The auditor's audit of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Enea AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's Responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The Auditor's Examination of the ESEF Report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Enea AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Enea AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our) ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors (and the Managing Director)

The Board of Directors (and the Managing Director) are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors (and the Managing Director) determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors (and the Managing Director), but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

The Auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 50-59 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Auditor's report on the statutory sustainability report

It is the board of directors who is responsible for the statutory sustainability report on pages 36-45 and that it has been prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, Stockholm was appointed auditor of Enea AB (publ) by the general meeting of the shareholders on May 4, 2023 and has been the company's auditor since May 15, 2007.

Stockholm, Sweden, April 11, 2024

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg
Authorized Public Accountant

Five Year summary

SEK m	2023	2022	2021	2020	2019
INCOME STATEMENT					
Net sales	912.7	927.7	863.2	780.6	846.2
Other operating revenue	21.9	37.1	24.3	13.7	17.1
Operating expenses	-1 434.0	-846.6	-689.7	-620.9	-615.4
Operating profit	-499.5	118.1	197.8	173.4	247.9
Net financial income/expense	-56.9	-17.2	4.7	-24.1	-52.0
Profit before tax	-556.4	101.0	202.5	149.4	195.9
Profit for the period	-550.7	109.0	185.5	129.8	164.9
Results from discontinued operations	-	115.9	14.8	12.5	4.8
Total	**-550.7**	**224.8**	**200.3**	**142.3**	**169.7**
BALANCE SHEET					
Intangible assets	1 883.0	2 493.7	2 313.4	1 734.5	1 672.3
Other intangible assets	31.6	43.9	50.3	40.7	27.6
Other financial fixed assets	2.2	3.6	4.3	6.1	3.4
Financial assets held for sale, non-current	-	-	-	-	-
Current receivables	403.7	545.4	454.0	357.5	364.3
Financial assets held for sale, current	-	-	-	-	-
Cash and cash equivalents	261.8	231.3	211.4	195.1	146.1
Total assets	**2 582.3**	**3 318.0**	**3 033.3**	**2 334.0**	**2 213.8**
Shareholders' equity	1 681.3	2 291.2	1 776.0	1 487.5	1 481.3
Long-term liabilities, interest-bearing	442.7	545.1	469.8	291.7	263.0
Long-term liabilities, non-interest-bearing	136.2	161.3	169.3	141.0	119.6
Current liabilities, interest-bearing	27.1	6.6	268.8	142.2	99.1
Current liabilities, non-interest-bearing	295.0	313.8	349.3	271.7	250.8
Total equity and liabilities	**2 582.3**	**3 318.0**	**3 033.3**	**2 334.0**	**2 213.8**
CASH FLOW					
Cash flow from operating activities	263.5	167.2	333.7	274.2	245.2
Cash flow from investing activities	-95.2	-138.8	-138.4	-130.9	-90.9
From investing activities - discontinued operations	-	173.2	-	-	-
Cash flow from investing activities-acquisition of operation	-	-	-379.4	-90.5	-47.1
Cash flow from financing activities	-126.0	-205.9	191.5	8.9	-35.9
Cash flow for the period	**42.2**	**-4.2**	**7.5**	**61.6**	**71.2**
KEY FIGURES					
Net sales growth, %	-2	7	11	-8	25
Operating margin, %	-54.7	12.7	22.9	22.2	29.3
Profit margin, %	-61.0	10.9	23.5	19.1	23.1
Return on capital employed, %	-27.7	11.1	13.2	10.4	15.2
Return on equity, %	-4.6	14.7	12.3	9.6	13.8
Return on total capital, %	-3.9	12.6	11.1	8.8	12.9
Interest coverage ratio, multiple	-0.3	1.3	3.1	3.9	3.8
Equity ratio, %	65.1	69.1	58.6	63.7	66.9
Liquidity, %	206.6	242.4	107.6	133.5	145.9
EBITDA	215.4	292.8	352.6	275.4	328.5
Net debt/EBITDA	0.97	1.10	1.50	0.87	0.66
Average number of employees	488	619	504	403	389
Net sales per employee, SEK m	1.9	1.5	1.7	1.9	2.2
Net asset value per share, SEK	78.93	106.06	82.66	69.09	69.54
Earnings per share, SEK	-25.80	10.43	9.30	6.63	8.47
Earnings per share continued operations, SEK	-25.80	5.05	8.61	6.05	8.23

Financial Definitions

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

Return on capital employed
Operating profit plus financial income in relation to average capital employed.

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

Gross margin
Gross profit less reversed additional purchase price in relation to revenue.

Dividend yield
The dividend as a percentage of the market price at year-end.

EBITDA
Profit before financial items plus depreciation and amortization.

Equity per share
Profit after tax in relation to the average number of shares.

Non-recurring items
Items of a non-repeat nature in normal operations. Non-recurring items include restructuring expenses, non-recurring write-down, expenses for legal advice in major disputes, and transaction expenses relating to major acquisitions. Transaction expenses include expenses for legal and financial advice but exclude financing costs. Reversed additional purchase prices are also included in non-recurring items. The purpose of specifying these items is to clarify the progress of underlying operations.

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

Liquidity
Cash and cash equivalents including short-term investments and short-term receivables in relation to current liabilities.

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

Revenue per employee
Revenue in relation to the average number of employees.

Revenue growth
Revenue for the period in relation to revenue in the previous period.

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

Interest coverage ratio
Profit after financial net plus financial costs in relation to financial costs.

Operating margin
Operating profit in relation to net sales.

Operating profit excl. non-recurring items
Operating profit before financial items and tax, restated for any non-recurring items.

Debt service ratio
Cash flow from operating activities – ongoing investments + total financial expenses in relation to amortization and total financial expenses during a reference period of twelve months.

Equity ratio
Equity including minority interests in relation to total assets.

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

Capital employed
Total assets less non-interest-bearing liabilities including deferred tax liabilities. Average capital employed has been calculated as opening capital employed plus closing capital employed divided by two.

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

Profit margin
Profit after financial items in relation to net sales.

Alternative Performance Indicators

The Annual Report for 2023 refers to the non-IFRS indicators used by Enea and other parties when evaluating Enea's results of operations. These indicators provide Management and investors with valuable information required to analyze trends in the company's business operations. These non-IFRS indicators are intended to complement, not replace, financial indicators presented in accordance with IFRS.

Reconciliation of Net sales growth

	Full year	
	2023	**2022**
Net sales, SEK m	912.7	927.7
Net sales growth, SEK m	-15.0	64.5
Net sales growth, %	-2	7
Currency effect, unchanged exchange rates previous year, %	37.0	59.9
exchange rates previous year, SEK m	4	7
Net sales growth, unchanged exchange rate previous year, SEK m	-110.0	4.6
Net sales growth, unchanged exchange rate previous year, %	-11	1

Reconciliation of Financial Net

	Full year	
	2023	**2022**
Financial income	383 256.0	282.0
Financial expense	-440 202.4	-299.1
Reported financial net, SEK m	**-56 946.4**	**-17.2**

Annual General Meeting 2024

The shareholders of Enea AB have been invited to the AGM on May 7, 2024, at 5:30 p.m. at Kista Science Tower, Färögatan 33 in Kista, Stockholm. Shareholders who wish to attend the AGM must be recorded as shareholder in the share register maintained by Euroclear as of April 26, 2024, and notify attendance to Ena AB no later than April 30, 2024, preferably before 5 p.m. Notification of attendance can be given by post, e-mail or telephone (contact information below). Shareholders whose shares are trustee-registered in the name of a bank or other trustee must, to be able to exercise their voting rights at the AGM, request the trustee to register their shares in their own name with Euroclear Sweden AB (so called "voting rights registration"). Such voting rights registration must be implemented by the trustee no later than April 30, 2024, which means that shareholders who wants such voting rights must notify the trustee of their request well in advance before this date.

Financial Calender

2024-04-25:	Publication of Interim Report for January–March 2024
2024-05-07:	AGM 2024
2024-07-18:	Publication of Interim Report for April–June 2024
2024-10-25:	Publication of Interim Report for July–September 2024
2025-01-30:	Publication of Annual Statement for 2024

Information Sources

All financial information is published on Enea´s website, and financial reports can also be ordered by mail or e-mail (Web address and contact information below).

Contact information

Mail:	Enea AB Box 1033 164 21 Kista Sweden
Email:	ir@enea.com (ordering financial reports) agm@enea.com (attendance at AGM)
Telephone:	+46 (0)8 507 14000

Enea AB is a public company (corporate. ID no. 556209-7146) with its registered office in Stockholm, Sweden.

Investor Relations

Enea strives to always provide open, accurate, and relevant information to shareholders, investors, and analysts in order to increase knowledge about the Group's operations and shares. Enea provides information in the form of interim reports, annual reports and press releases, and also publishes in-depth information on the company's website. Shareholders and other interested parties can subscribe to press releases and financial reports via e-mail. In 2022, press releases have been issued for major product news, strategically important deals, and agreements of larger contract value. On the website, the general information such as the list of shareholders is updated at the end of each quarter. In case of major changes, the website is updated immediately. Enea applies a 30-day silent period before financial reporting.

The currency for all amounts stated in this Annual Report is Swedish kronor unless otherwise stated. For thousands and millions of Swedish kronor, the abbreviations SEK 000 and SEK m are used respectively. Unless otherwise stated, all amounts are for current operations, and amounts in brackets are for 2022.

Information on trends and competitive situations are Enea's opinion unless another source is stated. These opinions are based on the latest available factual information.

The Annual Report has been produced by Enea in partnership with Rehngruppen. Images of the Board of Directors and Executive Management Team, and in the contents, are from various sources, and purchased images.

This document is a translation of the Swedish language original. In the event of any discrepancy between the two versions, the Swedish version shall take precedence.

The audited annual accounts are on pages 25-29, 46-48 and 62-103.

The Sustainability Report on pages 30-43 has been reviewed by the Auditors in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report.

History of Enea

Enea, originally abbreviated Engmans Elektronik Aktiebolag, is a Swedish-founded company that has existed for 55 years. Today we are 463 employees all over the globe and are world-leading specialists in software in telecom, cybersecurity and enterprise networks.

So how did we end up here? The foundation of our success is a strategy that builds on our own product development and complementary acquisitions. Investments are made in strategically important areas with good profitability and growth potential, and where we have the greatest opportunity to go from challenger to market leader.

Areas where we quickly have gained a leading position are built-in traffic classification, service management in large-scale Wi-Fi networks, security for mobile networks, and optimization of mobile video traffic. We also launched one of the market's first cloud-based solutions for managing subscriber data in 5G networks.

Over the years, many of our ideas and solutions have been truly groundbreaking. One of the first assignments was to develop a solution for data management in an air traffic control system. The client, the Swedish Civil Aviation Authority, naturally applied very stringent standards on availability and low latency. It is no exaggeration to say that we made history by developing and delivering a real-time operating system in the late 60s.

The success with operating systems laid the foundation for the development of new products and applications in other industries. In 1985, Enea OSE was launched, today one of the world's most used and widespread operating systems. Both Ericsson and Nokia have for a long time used this operating system in so-called radio base stations for several generations of mobile networks.

In the same decade, we became visionaries and pioneers in electronic communication and the Internet. We were the first company in the Nordics to be connected to the internet, received Sweden's first e-mail, and registered the country's first internet domain. At an early stage, Enea was the hub for internet traffic in Sweden.

We also contributed to the rise of mobile data communication. When Ericsson built GSM networks all around the world during the 90s, the latest version of Enea OSE was still a central building block. In the base stations, our real-time operating system enabled the handling of calls and later, mobile data connections. We also developed the first mobile version of HTML (method for formatting text).

Ever since Rune Engman founded Enea in 1968, it has been an innovative company. Our development engineers have always been driven by a passion for new technology. Although the company has been transformed from an IT consultancy into a pure software vendor, what has always been consistent is solving customers' problems with new ways of thinking and innovative solutions.

In recent years, a number of acquisitions have contributed to the strengthening our position in strategically important areas. The integration of Qosmos, Openwave Mobility, Aptilo Networks, and AdaptiveMobile Security, has expanded the product portfolio with some of the market's best solutions in selected areas. This, combined with investments for organic growth, clearly illustrate the strategy we have developed to ensure continued growth and success.

Important Milestones

2023
Qosmos ixEngine wins “Best Product” in Global Infosec awards.

2022
Eneas security solution for 5G wins a GLOMO award

2021
Enea IoT CCS wins in World Communications awards.

2021
Enea aquires AdaptiveMobile Security, a leading supplier of security solutions for mobile networks.

2020
Enea aquires Aptilo, a leading supplier of policy and access management solutions within Wi-Fi and IoT (Internet of Things).

2020
Enea launches their first product within traffic management that uses AI.

2018
Enea aquires Openwave Mobility, wich offered the most scalable NFV-platform in the market with solutions for mobile operators.

2016
Enea acquires Qosmos, an unlisted company with leading positions in IP traffic classification and network intelligence.

2016
Openwave, which later becomes Enea, offers the first solution for optimizing encrypted video traffic.

2000s
Enea expands to three continents.
In 2008, the Romanian company IP Devel SRL is acquired.

1990s
Enea is approaching 500 employees
In 1998, Enea develops the first mobile version of HTML.

1980s
In 1989, the company was listed on the stock exchange.
In 1988 Enea launches the first real-time operating system for mobile networks
In 1983 Enea receives Sweden's first e-mail.

1970s
Expansion to Denmark, Germany and France.
5 becomes 75 employees.

1960s
In 1968, Enea was founded by Rune Engman and a group of four programmers.
One of the first assignments was data management for a traffic management system for the Swedish Civil Aviation Authority.

www.enea.com