

# Interim Report

First Quarter 2023



## First Quarter

- Net sales amounted to SEK 247.9 million (210.8), equivalent to an 18 percent increase. Net sales increased by 13 percent in fixed exchange rates.
- Adjusted EBITDA amounted to SEK 94.4 million (56.1), corresponding to a margin of 38.1 percent (26.6).
- Operating profit was SEK 47.4 million (-9.0), corresponding to an operating margin of 19,1 percent (-4.3).
- Net profit after tax amounted to SEK 10,2 million (-13.0).
- Earnings per share were SEK 0.47 (-0.38).
- Earnings per share continued operations were SEK 0.47 (-0.61).

## Significant Events During and After the End of the Quarter

- On January 13, Enea announced a frame contract for support and maintenance of operating systems with one of the company's key customers. The contract covers a period of three years and prolongs support services in former one-year agreements. The contract generates guaranteed recurring revenues of approximately SEK 20 million per year. The previous one-year agreement which expired in December 2022 yielded revenues of SEK 25 million.
- On March 31, Enea announced a contract for licenses and continued support and maintenance services for its legacy operating system OSE with another of the company's key customers. The contract covers perpetual software licenses as well as prolonged support and maintenance services over at least three years. License revenues of EUR 4.8 million are booked in the first quarter of 2023. Service revenues of EUR 1.8 million will be recognized during a three-year period. The total contract value is EUR 6.6 million.
- In April, Enea announced that the multi-year contract for the 5G Cloud Network Data Layer, signed in June 2020 with a leading European telecom operator, may be terminated by the customer before final delivery from Enea has taken place. The total contract was initially valued to EUR 24 million and has so far generated revenues amounting to EUR 14.5 million. Enea will make reservations for reported revenues but not yet received payments attributable to 2021 and 2022 amounting to 4 MEUR in the second quarter 2023.

## Key Figures

	Jan-Mar		12 months	
	2023	2022	R12	2022
Total revenue, SEK m	254.0	217.0	1,001.8	964.7
Net sales, SEK m	247.9	210.8	964.7	927.7
Growth, %	18	15	8	7
Growth currency adjusted, %	13	10	8	1
Acquired growth, SEK m	-	33.7	-7.9	77.7
Adjusted EBITDA, SEK m	94.4	56.1	265.7	316.3
Adjusted EBITDA, %	38.1	26.6	27.5	34.1
EBITDA, SEK m	94.4	32.5	354.3	292.4
EBITDA, %	38.1	15.4	36.7	31.5
Operating profit, SEK m	47.4	-9.0	174.6	118.1
Operating margin, %	19.1	-4.3	18.1	12.7
Net profit after tax, SEK m	10.2	-13.0	132.1	109.0
Profit discontinued operations, MSEK	-	4.8	-	115.9
Earnings per share, SEK	0.47	-0.38	11.26	10.43
Earnings per share continued operations, SEK	0.47	-0.61	6.12	5.05
Cash flow from operating activities, SEK m	97.5	3.9	260.9	167.2
EBITDA less capitalized development, SEK m	63.9	4.6	222.9	163.6
Net debt/EBITDA (12 months)	0.74	1.75	0.74	1.10
Cash & cash equivalents, SEK m	258.1	142.5	258.1	231.3

# CEO's Statement

**New long-term agreements with key customers within operating systems contribute to revenue in the quarter and create predictability in our traditional business. Sales in cybersecurity are developing well, while the telecom market remains challenging.**

Net sales in the first quarter of 2023 were SEK 248 million, which is 18 percent more than the same period last year. An operating system license contract contributed to significantly higher sales for this product group. We now have new long-term agreements with both key customers in operating systems, which provides stability and predictability for a business that is a declining part of our turnover.

Operating profit before interest, taxes, depreciation, and amortization (EBITDA) amounted to SEK 94 million, corresponding to 38 percent of net sales. The operating cash flow was SEK 98 million, thanks to high invoicing of licenses and maintenance agreements. The profit per share, which was SEK 0.47 in the quarter, was negatively affected by increased interest costs and by unrealized currency effects on assets and liabilities in foreign currency.

## Growth for cybersecurity

Our acquisitions and investments in cybersecurity continued to develop well during the quarter. Awareness of cyber threats is increasing in many countries, not least because of a deteriorating geopolitical situation. Telecom operators often find it difficult to protect their customers and networks from cyber-attacks, which in several countries caused authorities and politicians to react. We are well positioned to provide solutions and expertise to mobile operators to detect and eliminate intrusion attempts in communications systems. We see good conditions for winning new customers and business over time, thanks to competitive products and a larger sales and marketing organization.

## Challenges in the telecom market

The telecommunications market remains challenging, which has contributed to our network solutions business, as a whole, not developing as expected over the past two years. New 5G systems are delayed, mainly because many customers do not see sufficient revenue potential to justify large investments in new technology. Instead, they continue to use old systems and traditional suppliers, making it harder for smaller companies like Enea to break in. An example is the announcement from a European customer in data management, that the contract signed in 2020 may

be terminated early. It is disappointing that we will not be able to complete this project, however it has contributed to the fact that we now have the market-leading solution for 5G Network Data Layer (NDL). During the second quarter, we will carry out a strategic review of our telecom business to assess the market development and the potential of our investments. It is too early to say what this review will result in, but we will prioritize growth areas and take the necessary steps to secure profitability.

## Leader in cloud technology

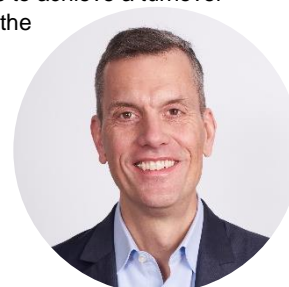
One of the trends at MWC, the big mobile trade fair in Barcelona, was that the major providers of cloud platforms, Microsoft, Amazon Web Services and Google, are increasing their focus on communication systems with a clear ambition to take market share in cloud infrastructure for 5G systems. This is positive for us because our software products, unlike many competitors, are built to execute on different cloud platforms. We were one of the first to start certifying telecom applications on Microsoft's new Nexus platform, launched at MWC in partnership with AT&T. The certification means that our solutions for data management and NDL will be available in Microsoft's business system for all operators who choose to use Nexus as the basis for their networks.

## Outlook

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

Significant uncertainty in the global environment and challenges in the telecom market affect our business. However, our objective for 2023 is to achieve a turnover and an EBITDA result in line with the previous year.

**Jan Häglund**  
President and CEO



# Financial Summary

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

## First Quarter, January - March 2023

### Revenue

Total revenue in the first quarter amounted to SEK 254.0 million (217.0), consisting of net sales of SEK 247.9 million (210.8) and other operating revenue of SEK 6.1 million (6.1). Other operating revenue includes a SEK 0 million (2.1) R&D grant for 5G development. Net sales increased by 18 percent on the corresponding period of the previous year, a currency-adjusted increase of 13 percent. Currency-adjusted organic growth was 13 percent (7). Acquired growth amounted to SEK 0 million (33.7)

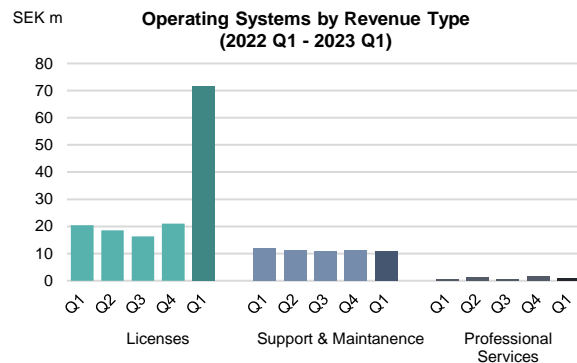
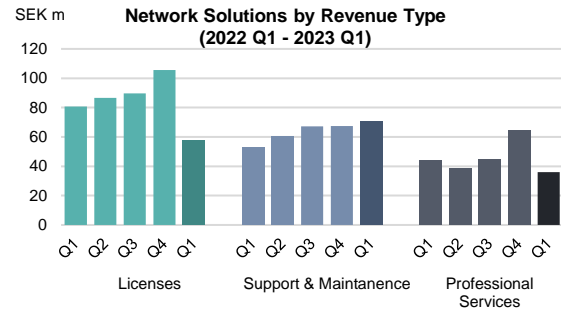
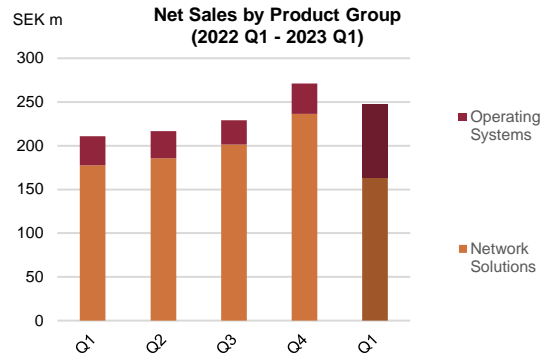
Enea's offering is divided into two product groups: Network Solutions and Operating System Solutions.

### Network Solutions

Sales of the Network Solutions product group amounted to SEK 164.2 million (177.7) and decreased by 8 percent in the quarter, or by 13 percent currency adjusted. Currency-adjusted organic growth was -13 percent. This product group was 66 percent (84) of total net sales in the quarter and represents Enea's main revenue stream.

### Operating Systems Solutions

Operating Systems sales amounted to SEK 83.6 million (33.1) and increased by 153 percent in the quarter. The increase is mainly driven by a license revenue from one of the key accounts, where sales increased by 228 percent, and were 85 percent (66) of sales for the product group. The Operating Systems Solution product group represented 34 percent (16) of net sales in the quarter.



## Expenses and Earnings

### Costs of Goods and Services Sold

In the first quarter of 2023, Enea's cost of goods and services sold totaled SEK 50.7 million (47.9), equivalent to a gross margin of 80.0 percent (77.9). Gross margin was positively affected by the deal with one key customer for licenses and support & maintenance for the operating system OSE.

### Operating Expenses

In the first quarter, operating expenses amounted to SEK 155.8 million (178.1). Expenses for share-based incentive programs were SEK -3.3 million (3.5) for the quarter, with this expense varying with the share price. Restructuring costs amounted to SEK 0 million (23.6). Depreciation and amortization of SEK 46.6 million (42.3) was charged to operating expenses.

### Sales and Marketing Expenses

Sales and marketing expenses were SEK 60.2 million (61.8) in the first quarter, or 24.3 percent (29.3) of net sales. Restructuring expenses were SEK 0 million (11.3) in the quarter. Depreciation and amortization of SEK 0.1 million (0.4) was charged to sales and marketing expenses.

### Product Development Expenses

Product development expenses were SEK 73.7 million (90.8) in the first quarter, or 29.7 percent (43.1) of net sales. SEK 30.5 million (27.9) was capitalized in the quarter. Depreciation and amortization of SEK 40.5 million (36.3) were charged to product development expenses, of which amortization of acquisition-related and capitalized development expenses were SEK 39.6 million (34.5).

Product development expenses affecting cash flow, excluding restructuring costs, amounted to SEK 64.6 million (72.2) corresponding to 26.1 percent (34.2), of net sales in the quarter. Restructuring costs were SEK 0 million (12.0).

### Administrative Expenses

Administrative expenses were SEK 21.8 million (25.5), representing 8.8 percent (12.1) of net sales in the quarter. Depreciation and amortization of SEK 6.1 million (4.4) was charged to administrative expenses.

### EBITDA

EBITDA was SEK 94.4 million (32.5), representing an EBITDA margin of 38.1 percent (15.4).

Adjusted for non-recurring items, EBITDA was SEK 94.4 million (56.1), corresponding to an adjusted EBITDA margin of 38.1 percent (26.6).

### Operating Profit/Loss

Operating profit/loss was SEK 47.4 million (-9.0), equivalent to an operating margin of 19.1 percent (-4.3).

Adjusted for non-recurring items, operating profit amounted to SEK 47.4 million (14.6), corresponding to an adjusted operating margin of 19.1 percent (6.9).

### Net Financial Income/Expense

Net financial income/expense was SEK -24.4 million (-4.7). External interest income/expense were SEK -7.0 million (-3.4). Unrealized exchange rate fluctuations on financial assets and liabilities had a negative impact of SEK -17.4 million (-1.3) in the quarter.

### Tax

The tax expense/income in the quarter was SEK -12.9 million (0.7). The effective tax rate is 56 per cent (0). Tax cost for the quarter is affected by profits in Swedish units that cannot be offset by losses in foreign units.

### Profit/Loss for the Quarter

Profit/loss after tax amounted to SEK 10.2 million (-13.0) in the first quarter. Earnings per share amounted to SEK 0.47 (-0.38).



## Cash Flow and Financial Position

### Cash Flow

The group generated cash flow from operating activities of SEK 97.5 million (3.9) in the quarter. Cash flow from investing activities amounted to SEK -32.9 million (-30.1), of which investments in intangible assets amounted to SEK -30.5 million (-27.9) and purchases of property, plant and equipment amounted to SEK -2.6 million (-2.2). Cash flow from financing activities was SEK -40.7 million (-46.3). Purchases of treasury shares were SEK 0 million (-0.3). Total cash flow for the period amounted to SEK -24.2 million (-72.5).

### Investments

Investments in the quarter amounted to SEK 33.1 million (30.0). Depreciation, amortization, and impairment was SEK 42.7 million (37.6). Capitalized product development expenses amounted to SEK 30.5 million (27.9), and the related amortization and impairment was SEK 24.8 million (20.5). Depreciation of leased assets was SEK 4.3 million (3.9) for the quarter.

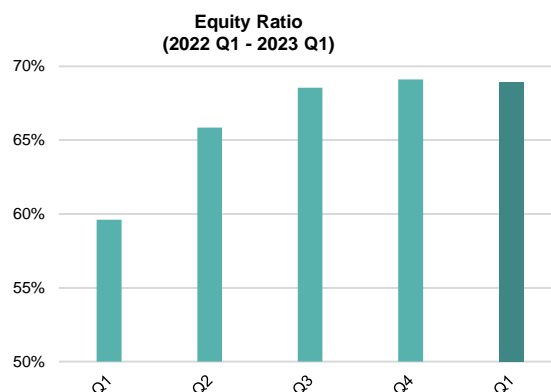
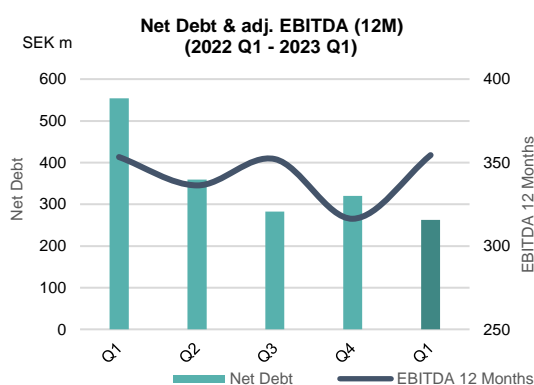
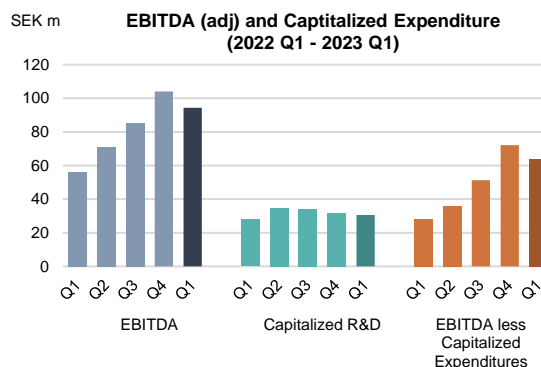
### Financial Position

At end of the quarter, net debt amounted to SEK 262.9 million (554.4), cash and cash equivalents were SEK 258.1 million (142.5), and interest-bearing bank debt amounted to 521.0 million (696.9). Interest-bearing liabilities were divided between non-current liabilities of SEK 521.0 million (474.4), and current liabilities of SEK 0 million (222.6).

The equity ratio was 68.9 percent (59.6), and total assets amounted to SEK 3,347.9 million (3,035.8) at period end. Net debt/EBITDA (12 months) was 0.74 (1.75).

### Financing

Enea has a SEK 70 million overdraft facility, of which SEK 0 million had been utilized at the end of the quarter. 2022 Enea entered into three-year facility agreements with a fixed term loan facility of EUR 40 million and a revolving credit facility of SEK 350 million with DnB Bank ASA and Svensk Exportkredit (publ) as lenders. The facilities include customary covenants. The covenants were satisfied as of 31 March 2023. The remaining liability as of 31 March was SEK 521 million.



# Other Disclosures

## Parent Company

The parent company's net sales for January to March amounted to SEK 17.0 million (11.0) and profit/loss before appropriations and tax was SEK 2.2 million (-19.1). The parent company's net financial income/ expense was SEK 1.9 million (-0.1), and cash and cash equivalents were SEK 23.7 million (0) at period end. The parent company's investments in the quarter were SEK 1.0 million (0.1). The parent company had 19 (19) employees at the end of the period. The parent company is non-operational, and its risks primarily relate to the operations of subsidiaries.

## Employees

At the end of the quarter, the group had 528 (724) employees. Decrease of staff related to divested operations amounts to 141.

## Share-based incentive programs

Enea has one outstanding long-term incentive program.

LTIP21 was approved by the AGM in 2021 and includes approximately 30 senior executives and key employees. Granting of shares is based on Enea's growth of earnings per share in the financial years 2021-2024. Maximum granting in LTIP21 is 243,000 shares, according to AGM resolution.

The provision for expenses related to these programs amounted to SEK 9.3 million (3.5) in the quarter.

## Repurchase of Treasury Shares

Enea held 255,952 treasury shares at the end of the period, or 1.2 percent of the total number of shares. No treasury shares were purchased in the period.

## The Share and Shareholders

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

The company's largest shareholders are Per Lindberg (34.1 percent), Första AP Fonden (7.8 percent), Handelsbanken Fonder (6.9 percent), and C WorldWide Asset Management (4.9) percent. The 20 largest shareholders hold a total of 73.1 percent of the capital and 72.5 percent of the votes of the company. There were no significant changes of the ownership since end of the previous quarter.

## Annual General Meeting

The AGM 2023 will be held on 4 May 4:30 in Kista Science Tower, Färögatan 33, Kista. The notice convening the AGM was published on Enea's website on 31 March 2023.

## Nomination Committee

In consultation with the largest shareholders, the Chairman of the Board of Enea AB has established a Nomination Committee for the AGM 2023. The members of the Nomination Committee are: Per Lindberg (own mandate), Niklas Johansson (Handelsbanken Fonder), Sophie Larsén (Första AP-fonden), Henrik Söderberg (C WorldWide Asset

Management) and Anders Lidbeck (Chairman of Enea AB). The Nomination Committee has appointed Per Lindberg as Chairman. The duty of the Nomination Committee is to submit proposals for the Chairman and other members of the Board, and fees and other compensation for work on the Board to each of the Board members, to the AGM. The Nomination Committee should also submit proposals on the election and remuneration of auditors. The Nomination Committee should also submit proposals on the process for appointing a nomination committee for the AGM 2024.

## Financial Assets and Liabilities

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

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

*Level 2:* Fair value of financial instruments not traded on an active market (e.g., OTC derivatives are measured with the aid of valuation techniques). The group uses currency derivatives for hedging purposes. Currency hedges are measured at market value by conducting an early allocation of the currency hedge to determine what the forward price would be if the maturity were at the reporting date. As of 31 March 2023, the group's currency hedges amounted to a liability of SEK 0.4 million, which is the total of level 2.

*Level 3:* The group does not report any financial instruments at level 3 as of 31 March 2023.

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

Allocation by level in fair value measurement, 31 March, SEK m	Level1	Level 2	Level 3	Total
Derivative instruments used for hedging purposes:				
Currency derivatives	-	0.4	-	0.4
Total	-	0.4	-	0.4

## Accounting Policies

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

recent annual accounts of the group and the parent company, unless otherwise stated below.

### Material Risks and Uncertainties

Enea is mainly active in cybersecurity and telecommunication. The corona pandemic is having a major negative impact on the global economy, affecting some customers' risk appetites and willingness to invest. For Enea, this means some projects being delayed or aborted. Meanwhile, the underlying drivers of telecommunication, involving a continued focus on virtualization, 5G and increased network capacity, remain. One effect of the corona pandemic has been traffic volumes in networks increasing, as many students and business employees work from home. This effect is likely to be partly transient, even if more widespread usage of digital tools and remote working do become a permanent change.

Enea's business strategy is based on developing new products and refining existing solutions, which means substantial investments. At quarter-end, capitalized development expenses amounted to SEK 343.4 million (281.0).

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

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

### Significant events after the end of the period

In April, Enea announced that the multi-year contract for the 5G Cloud Network Data Layer, signed in June 2020 with a leading European telecom operator, may be terminated by the customer before final delivery from Enea has taken place. The total contract was initially valued to EUR 24 million and has so far generated revenues amounting to EUR 14.5 million. Enea will make reservations for reported revenues but not yet received payments attributable to 2021 and 2022 amounting to 4 MEUR in the second quarter 2023.

### Strategic analysis of product segments

Given the weak development of the telecom part within the network solutions product group, the company will during the second quarter carry out a strategic review of the telecom business in order to assess the market development and the potential of completed investments.

### Long-term Ambition

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

### Outlook for 2023

Significant uncertainty in the global environment and challenges in the telecom market affect our business. However, our objective for 2023 is to achieve a turnover and an EBITDA result in line with the previous year.

The Board of Directors  
Kista, Sweden April 27, 2023

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

*This is information that Enea AB (publ) is required to publish under the EU Market Abuse Regulation. The information was submitted for publication on the authority of Jan Häglund on 27 April 2023 at 7:20 a.m.*

## Consolidated Statement of Comprehensive Income

SEK m	Jan-Mar		12 months	Full year
	2023	2022	Apr-Mar	2022
Net sales	247.9	210.8	964.7	927.7
Other operating revenue	6.1	6.1	37.1	37.1
Total revenue	254.0	217.0	1,001.8	964.7
Cost of goods and service sold	-50.7	-47.9	-216.5	-213.7
Gross profit	203.3	169.0	785.3	751.1
Sales and marketing costs	-60.2	-61.8	-230.8	-232.3
R&D costs	-73.7	-90.8	-281.6	-298.6
General and administration costs	-21.8	-25.5	-98.3	-102.0
Operating profit 1) 2) 3) 4)	47.4	-9.0	174.6	118.1
Net financial income/expense	-24.4	-4.7	-36.8	-17.2
Profit before tax	23.1	-13.7	137.8	101.0
Tax	-12.9	0.7	-5.6	8.0
Profit after tax continued operations	10.2	-13.0	132.1	109.0
Profit discontinued operations	-	4.8	111.0	115.9
<b>Net profit for the period</b>	<b>10.2</b>	<b>-8.2</b>	<b>243.2</b>	<b>224.8</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that may be reclassified to profit or loss</i>				
Change in hedging reserve, after tax	0.3	-0.4	-0.4	-1.2
Exchange rate differences	9.2	37.5	251.1	279.3
<i>Items that will not be reclassified to profit or loss</i>				
Pension obligations	0.2	-	6.0	5.8
<b>Total comprehensive income for the period, net of tax</b>	<b>19.9</b>	<b>28.9</b>	<b>499.9</b>	<b>508.8</b>
Profit for the period attributable to equity holders of the parent company	10.2	-8.2	243.2	224.8
parent company	19.9	28.9	499.9	508.8
1) including depreciation and write-down of tangible assets	3.0	3.0	12.1	12.2
2) Including amortization and write-down of intangible assets	39.7	34.6	151.9	146.8
3) Including amortization of right-to-use assets	4.3	3.9	15.7	15.3
<b>4) Non-recurring items included in operating profit</b>				
Operating profit including non-recurring items	47.4	-9.0	174.6	118.1
Restructuring costs	-	23.6	0.3	23.9
<b>Operating profit excluding non-recurring items</b>	<b>47.4</b>	<b>14.6</b>	<b>174.9</b>	<b>142.1</b>

## Key Figures - Income Statement

SEK m	Jan-Mar		12 months	Full year
	2023	2022	Apr-Mar	2022
Earnings per share (SEK)	0.47	-0.38	11.26	10.43
Earnings per share after full dilution (SEK)	0.47	-0.38	11.26	10.43
Earnings per share continued operations (SEK)	0.47	-0.61	6.12	5.05
Earnings per share after full dilution continued operations (SEK)	0.47	-0.61	6.12	5.05
Average number of shares before dilution (million)	21.6	21.5	21.6	21.6
Average number of shares after dilution (million)	21.6	21.5	21.6	21.6
Net sales growth (%)	18	15	8	7
Gross margin (%)	80.0	77.9	78.4	77.9
EBITDA (SEK m)	94.4	32.5	354.3	292.4
Operating costs as % of revenue				
- Sales and marketing costs	24.3	29.3	23.9	25.0
- R&D costs	29.7	43.1	29.2	32.2
- G&A costs	8.8	12.1	10.2	11.0
Operating margin excl. non-recurring items (%)	19.1	6.9	18.1	15.3
Operating margin (%)	19.1	-4.3	18.1	12.7



## Consolidated Statement of Financial Position

<i>SEK m</i>	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 dec</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>ASSETS</b>			
Intangible assets	2,491.9	2,338.9	2,493.7
- goodwill	1,738.8	1,620.9	1,737.1
- capitalized development	343.2	281.0	338.3
- product rights	56.2	66.4	59.6
- customer contracts	281.6	307.0	290.7
- trademarks	29.1	27.0	29.2
- right-to-use assets	41.3	36.0	37.1
- other intangible assets	1.6	0.5	1.7
Inventories, tools and installations	21.4	24.6	21.5
Deferred tax assets	21.9	19.9	22.4
Other fixed assets	3.4	4.3	3.6
<b>Total fixed assets</b>	<b>2,538.7</b>	<b>2,387.8</b>	<b>2,541.2</b>
Current receivables	551.1	505.4	545.4
Cash and cash equivalents	258.1	142.5	231.3
<b>Total current assets</b>	<b>809.2</b>	<b>648.0</b>	<b>776.7</b>
<b>Total assets</b>	<b>3,347.9</b>	<b>3,035.8</b>	<b>3,318.0</b>
<b>EQUITY and LIABILITIES</b>			
<b>Equity</b>	<b>2,308.0</b>	<b>1,809.4</b>	<b>2,291.2</b>
<b>Provisions</b>	<b>4.0</b>	<b>2.6</b>	<b>4.5</b>
Long-term liabilities			
Deferred tax liabilities	116.2	125.4	116.3
Long-term liabilities, interest-bearing	521.0	474.4	545.1
Long-term liabilities, non-interest-bearing	17.5	22.9	17.0
Long-term liabilities, leasing	26.6	20.8	23.4
<b>Total long-term liabilities</b>	<b>681.4</b>	<b>643.4</b>	<b>701.8</b>
Current liabilities			
Current liabilities, interest-bearing	0.0	222.6	6.6
Current liabilities, non-interest-bearing	338.8	341.6	299.2
Current liabilities, leasing	15.7	16.1	14.5
<b>Total current liabilities</b>	<b>354.5</b>	<b>580.3</b>	<b>320.4</b>
<b>Total equity and liabilities</b>	<b>3,347.9</b>	<b>3,035.8</b>	<b>3,318.0</b>

## Consolidated Statement of Changes in Equity

<i>SEK m</i>	<b>31 Mar</b>	<b>31 Mar</b>	<b>31 dec</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
At beginning of period	2,291.2	1,776.0	1,776.0
Total comprehensive income for the period	19.9	28.9	508.8
New share issue	-	0.3	0.3
Share saving program	-3.1	4.5	6.3
Repurchasing of own shares	-	-0.3	-0.3
<b>At end of period</b>	<b>2,308.0</b>	<b>1,809.4</b>	<b>2,291.2</b>

## Consolidated Statement of Cash Flows

<i>SEK m</i>	Jan-Mar		Full year
	2023	2022	2022
Profit before tax	23.1	-8.3	218.0
Adjustment for non-cash items	49.4	48.6	69.7
Tax paid/received	-2.9	-1.0	-7.3
Operating cash flow before changes in working capital	69.5	39.2	280.4
Cash flow from changes in working capital	28.1	-35.4	-113.2
Cash flow from operating activities	97.5	3.9	167.2
Cash flow from investing activities	-32.9	-30.1	-138.8
Cash flow from acquisition of operations, net	-	-0.0	-
Cash flow from divestment of operations, net	-	-	173.2
Cash flow from financing activities, raising of loans	0.2	4.7	82.8
Cash flow from financing activities, amortization of loans	-36.6	-46.4	-272.3
Cash flow from financing activities, amortization of lease liability	-4.1	-4.6	-16.4
Cash flow from financing activities, repurchase of shares	-	-0.3	-0.3
Cash flow for the period	24.2	-72.5	-4.2
Cash and cash equivalents at the beginning of period	231.3	211.4	211.4
Exchange rate difference in cash and cash equivalents	2.6	3.6	24.1
Cash and cash equivalents at the end of period	258.1	142.5	231.3

## Key Figures - Balance Sheet and Cash Flow Statement

<i>SEK m</i>	Jan-Mar		12 months	Full year
	2023	2022	Apr-Mar	2022
Cash and cash equivalents (SEK m)	258.1	142.5	258.1	231.3
Equity ratio (%)	68.9	59.6	68.9	69.1
Equity per share (SEK)	106.8	84.2	106.8	106.1
Cash flow from operating activities per share (SEK)	4.5	0.2	12.1	7.8
Net debt (SEK m)	262.9	554.4	262.9	320.5
Number of employees at end of period	528	724	528	543
Return on equity (%)			11.8	11.1
Return on capital employed (%)			16.2	14.7
Return on assets (%)			13.8	12.6

## Parent Company

### Income Statement

<i>SEK m</i>	Jan-Mar		Full year
	2023	2022	2022
Revenue	17.0	11.0	42.2
Operating costs	-16.7	-30.0	-99.4
Operating profit	0.3	-19.0	-57.1
Financial net	1.9	-0.1	-4.7
Profit/loss after financial net	2.2	-19.1	-61.8
Appropriations	-	-	55.9
Profit/loss before tax	2.2	-19.1	-5.9
Tax	-0.2	3.9	-
<b>Net profit/loss for the perio</b>	<b>2.0</b>	<b>-15.2</b>	<b>-5.9</b>

### Balance Sheet

<i>SEK m</i>	31 Mar		31 Dec
	2023	2022	2022
<b>ASSETS</b>			
Fixed assets	214.6	212.9	214.0
Current assets	1,281.0	1,369.0	1,244.6
<b>Total assets</b>	<b>1,495.6</b>	<b>1,581.9</b>	<b>1,458.6</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	831.8	821.8	833.0
Untaxed reserves	0.9	2.7	0.9
Long-term liabilities, interest-bearing	519.3	474.4	543.2
Current liabilities, interest-bearing	-	221.8	-
Current liabilities, other	143.5	61.2	81.5
<b>Total equity and liabilities</b>	<b>1,495.6</b>	<b>1,581.9</b>	<b>1,458.6</b>

## Quarterly Data\*

SEK m	2023				2021				2020	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
<b>INCOME STATEMENT</b>										
Net sales	247.9	271.0	229.3	216.6	210.8	252.3	229.5	198.0	183.5	217.7
Other operating revenue	6.1	2.1	23.6	5.2	6.1	14.1	2.3	5.3	2.6	4.4
Cost of goods and services sold	-50.7	-64.5	-53.6	-47.6	-47.9	-48.6	-40.4	-28.1	-25.4	-30.6
Gross profit	203.3	208.6	199.3	174.2	169.0	217.8	191.4	175.1	160.6	191.5
Sales and marketing costs	-60.2	-61.5	-61.4	-47.7	-61.8	-45.1	-46.4	-39.8	-42.7	-45.6
R&D costs	-73.7	-67.2	-69.9	-70.8	-90.8	-92.8	-64.9	-54.7	-53.8	-62.8
General and administration costs	-21.8	-22.1	-27.0	-27.4	-25.5	-22.3	-37.2	-23.0	-24.4	-23.1
Operating profit	47.4	57.8	41.0	28.3	-9.0	57.5	42.9	57.7	39.7	60.0
Net financial income/expense	-24.4	-34.8	14.4	7.9	-4.7	-4.5	8.8	-3.5	3.8	-15.1
Profit before tax	23.1	23.0	55.4	36.2	-13.7	53.0	51.8	54.2	43.5	44.9
Tax	-12.9	16.1	-18.8	10.0	0.7	-0.6	-6.2	-5.8	-4.5	-1.1
Profit after tax	10.2	39.2	36.6	46.2	-13.0	52.5	45.6	48.4	39.0	43.9
Result from discontinued operations	-	0.2	15.8	95.1	4.8	2.1	4.6	3.6	4.5	4.6
<b>Net profit for the period</b>	<b>10.2</b>	<b>39.3</b>	<b>52.4</b>	<b>141.3</b>	<b>-8.2</b>	<b>54.5</b>	<b>50.2</b>	<b>52.0</b>	<b>43.6</b>	<b>48.5</b>
Other comprehensive income	9.8	-50.5	134.8	162.6	37.0	37.9	27.7	-30.2	71.3	-113.4
<b>Total comprehensive income</b>	<b>19.9</b>	<b>-11.1</b>	<b>187.2</b>	<b>303.9</b>	<b>28.9</b>	<b>92.4</b>	<b>77.9</b>	<b>21.8</b>	<b>114.9</b>	<b>-66.0</b>
<b>BALANCE SHEET</b>										
Intangible assets	2,491.9	2,493.7	2,546.2	2,435.0	2,338.9	2,313.4	2,305.5	1,777.6	1,801.9	1,734.5
Other fixed assets	43.3	43.9	34.9	39.1	44.6	50.3	36.3	35.5	39.1	40.7
Other financial fixed assets	3.4	3.6	4.1	3.4	4.3	4.3	5.0	5.1	5.0	6.1
Current receivables	551.1	545.4	509.3	518.0	505.4	454.0	461.0	353.0	379.5	357.5
Cash and cash equivalents	258.1	231.3	264.0	218.0	142.5	211.4	176.4	250.5	236.9	195.1
<b>Total assets</b>	<b>3,347.9</b>	<b>3,318.0</b>	<b>3,358.5</b>	<b>3,213.5</b>	<b>3,035.8</b>	<b>3,033.3</b>	<b>2,984.1</b>	<b>2,421.7</b>	<b>2,462.5</b>	<b>2,334.0</b>
Shareholders' equity	2,308.0	2,291.2	2,301.8	2,116.1	1,809.4	1,776.0	1,699.4	1,629.2	1,606.0	1,487.5
Long-term liabilities, interest-bearing	547.7	568.6	563.1	593.7	495.2	491.2	592.1	181.2	315.5	317.7
bearing	137.7	137.8	155.2	149.2	150.8	147.9	146.6	116.2	116.1	115.0
Current liabilities, interest-bearing	15.7	21.1	10.9	13.8	238.7	285.8	240.2	247.3	163.0	159.0
bearing	338.8	299.2	327.5	340.7	341.6	332.4	305.9	247.7	262.0	254.9
<b>Total equity and liabilities</b>	<b>3,347.9</b>	<b>3,318.0</b>	<b>3,358.5</b>	<b>3,213.5</b>	<b>3,035.8</b>	<b>3,033.3</b>	<b>2,984.1</b>	<b>2,421.7</b>	<b>2,462.5</b>	<b>2,334.0</b>
<b>CASH FLOW</b>										
Cash flow from operating activities	97.5	-2.1	92.1	73.3	3.9	142.4	28.3	94.3	68.8	61.5
Cash flow from investing activities	-32.9	-34.2	-36.4	-38.2	-30.1	-38.3	-34.8	-33.1	-32.3	-31.2
Cash flow from financing activities	-40.4	1.4	-34.5	-126.4	-46.3	-73.5	310.2	-44.6	-0.5	86.7
<b>Cash flow for the period</b>	<b>24.2</b>	<b>-34.9</b>	<b>21.2</b>	<b>-91.3</b>	<b>-72.5</b>	<b>30.6</b>	<b>303.7</b>	<b>16.6</b>	<b>36.0</b>	<b>116.9</b>
Cash flow for the period, from acquisition/divestment of operation	-	-0.1	14.6	158.8	0.0	-0.0	-379.3	-	-	-90.5
<b>Total cash flow for the period</b>	<b>24.2</b>	<b>-35.0</b>	<b>35.9</b>	<b>67.4</b>	<b>-72.5</b>	<b>30.6</b>	<b>-75.7</b>	<b>16.6</b>	<b>36.0</b>	<b>26.5</b>

## Five-year Summary\*

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

# Financial Definitions

## Acquired growth

Revenues in the period from acquired entities not included in the corresponding period of the previous year.

## Cash flow from operating activities per share

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

## Capital employed

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

## Debt service ratio

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

## Dividend per share

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

## Earnings per share

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

## EBITDA

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

## Adjusted EBITDA

EBITDA adjusted for non-recurring items.

## EBITDA less capitalized development costs

EBITDA minus capitalized development expenses in the period.

## Equity per share

Equity in relation to the total number of shares outstanding

## Equity ratio

Equity including minority interests in relation to total assets.

## Gross margin

Gross profit in relation to revenue.

## Interest coverage ratio

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

## Liquidity

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

## Net asset value per share

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

## Net debt

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

## Net sales growth

Revenue in the period in relation to the previous period's revenue.

## Net sales per employee

Revenue in relation to the average number of employees.

## Non-recurring items

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

## Operating margin

Operating profit in relation to revenue.

## Operating profit excl. non-recurring items

Profit from operations before financial items and tax, adjusted for non-recurring items.

## Profit margin

Profit/loss after financial items in relation to revenue.

## Return on capital employed

Operating profit plus financial income related to average capital employed.

## Return on equity

Operating profit plus financial income related to average capital employed.

## Return on total capital

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

# Alternative Performance Measures

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

	Jan-Mar		Full year
	2023	2022	2022
<b>1. Reconciliation of net sales growth</b>			
Net sales, SEK million	247.9	210.8	927.7
Net sales growth, SEK million	37.0	27.3	64.5
Net sales growth, %	18	15	7
Currency effect, unchanged exchange rates compared to previous year, SEK m	9.5	9.5	59.9
Currency effect, unchanged exchange rates compared to previous year, %	5	5	7
Net sales growth, unchanged exchange rates compared to previous year, SEK m	27.6	17.8	4.6
Net sales growth, unchanged exchange rates compared to previous year, %	13	10	1

	Jan-Mar		Full year
	2023	2022	2022
<b>2. Reconciliation of financial income/expense</b>			
Financial income, SEK million	72.6	64.8	282.0
Financial expense, SEK million	-97.0	-69.5	-299.1
Reported financial income/expense	-24.4	-4.7	-17.2

# About Enea

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

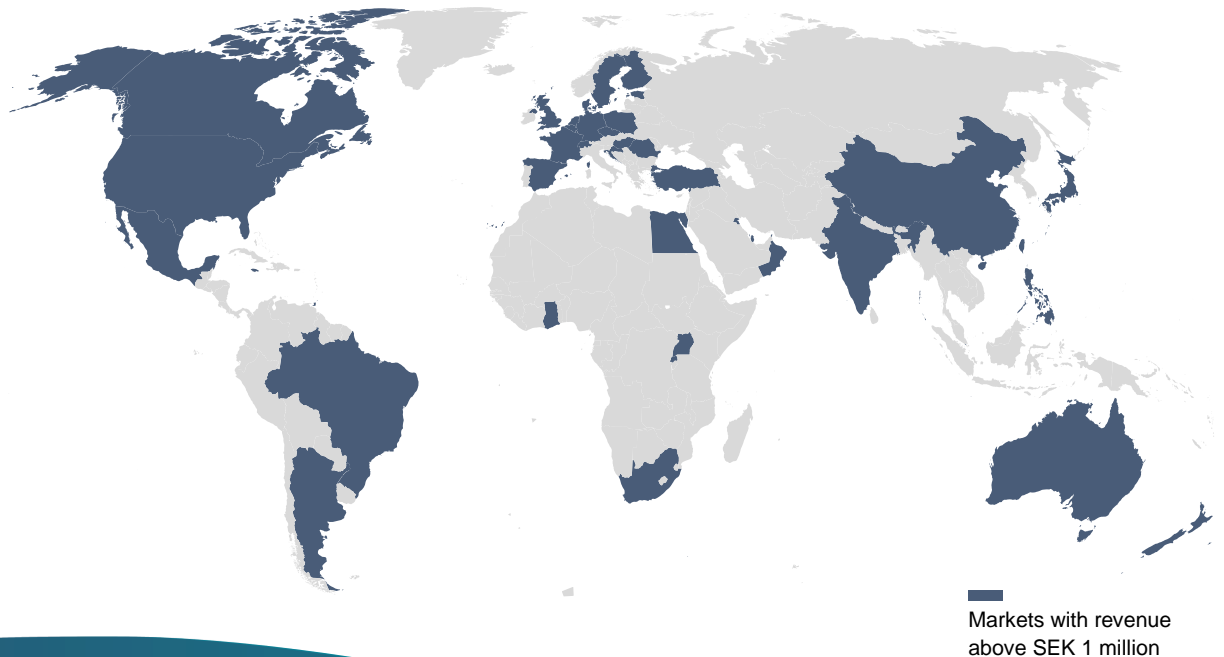
Enea has development centers and sales offices in Europe, North America, and Asia. A high share of revenue is sourced from the Network Solutions product area, which includes mobile and fixed line communication, as well as enterprise networks, and the software Enea delivers enables a raft of critical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

solutions from system vendors. Enea also has a global services organization developing software on assignment from customers in different sectors subject to stringent performance and reliability standards, including solutions for medical devices, the automotive industry and telecommunication.

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

Enea is listed on Nasdaq Stockholm [Enea], and its head offices are in Kista, Stockholm.

## Enea Worldwide



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### Financial calendar and AGM:

Annual General Meeting	4 May 2023
Interim Report, January – June	18 July 2023
Interim Report, January – September	26 October 2023
Annual Statement	1 February 2024

Financial information is also available on Enea's website [www.enea.com](http://www.enea.com)