Annual Report 2022

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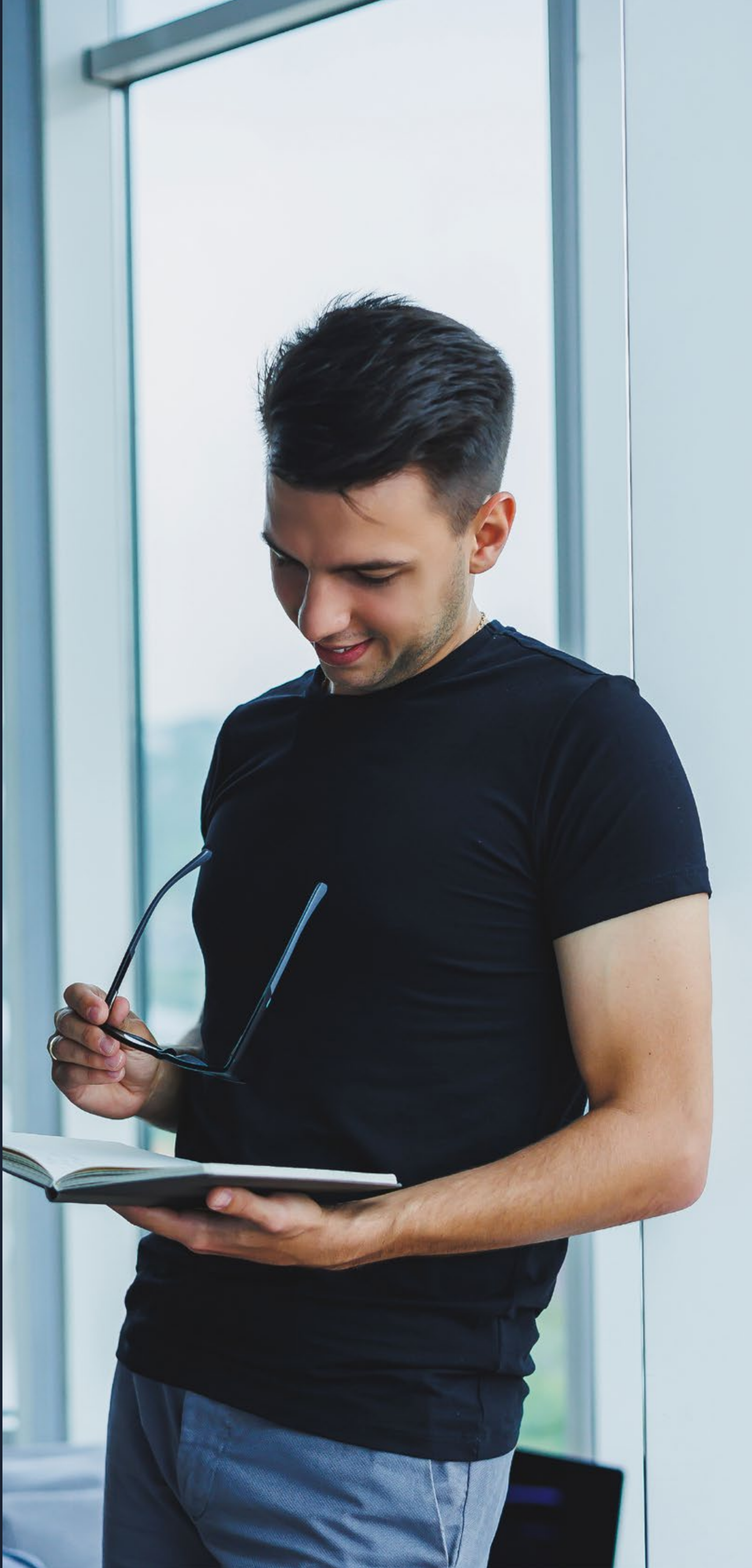
ENEA IN BRIEF

Headquarters: Stockholm, Sweden
Workforce: 543
Stock exchange: NASDAQ Stockholm



928	15,3	29,1
SEK Million Sales	percent Operating Margin excl. Non-recurring Items	percent Research and Development

OFFERING AND ORGANIZATION

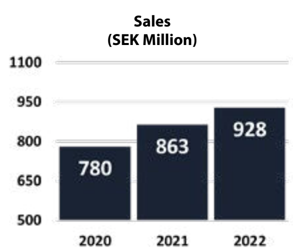
Our business strategy is to be the world's leading specialist in advanced software for telecom and cybersecurity. Our cloud-based solutions make services more secure and efficient for mobile subscribers, enterprises, and the Internet of Things. Over four and a half billion people rely on our technology every day when they use mobile phones and connect to the internet.

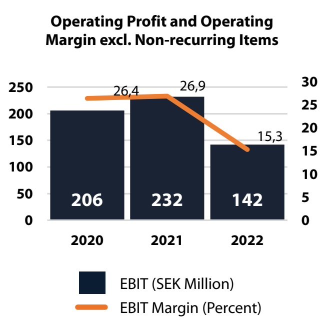
We have development centers and sales offices in Europe, North America, and Asia, which provides a strong presence in key markets and good access to expertise for research and development. The Network Solutions product area accounts for the largest part of our revenue and includes mobile and fixed telecommunications as well as enterprise networks.

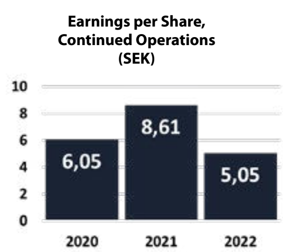
Customers use our software for several critical network functions. For example, mobile operators can improve the security of their networks, ensure consistently high quality of different services, and process large amounts of data efficiently. Our products are sold directly to operators and are also integrated with solutions from other suppliers.

In June, we divested a global services business for software development for customers in various industries, such as medical equipment and maritime solutions. This decision means that we are increasing our focus on the development and sale of software products to service providers and system vendors in telecom and cybersecurity.

We are selective and choose market segments with good profitability and growth potential. Investments are directed towards areas where we have the greatest opportunity to go from challenger to market leader. Cybersecurity and traffic management in mobile networks as well as classification of network traffic, are three examples of areas where we have achieved a world-leading position.







06.

A WORD FROM THE CEO

"Despite an uncertain state of the world, we have a positive view on the markets for 5G and advanced cybersecurity. Investments and technology shifts in these areas are needed to protect and make networks and infrastructure more efficient worldwide.

We look back on a year in which we consolidated our position as a specialist in software for telecom and cybersecurity, and where we challenged established competitors by means of innovative solutions developed in collaboration with leading customers. Our research and development investments in open, cloud-based systems for 5G have enabled several strategic deals, including in North America. Recent acquisitions have opened the door to new markets, such as public Wi-Fi systems and cybersecurity for mobile networks. We are pleased with large contracts where products from acquired businesses have been chosen in fierce competition with products from other suppliers. Several of these deals demonstrate how we take advantage of a wider customer base to sell new solutions. Strong customer relationships are a cornerstone of our strategy, and we are increasing investments in sales and marketing to reach more customers with our offering.

During the year, we divested a services business for software development that was focused on medical technology and maritime solutions, among other things. The business was run as an independent unit and was therefore easily separated from the other parts of the company. We can now focus on customers and market segments in telecom and cybersecurity, and as a pure software product company, benefit from a scalable business with high gross margins. The divestment further strengthened our financial position and contributed to a reduced net debt.

A strong financial position is especially important in a situation where rising inflation and increased interest rates affect companies and customers worldwide. As a software company, we are not affected to any great extent by the recent sharply raised energy prices. On the other hand, we have an indirect effect from telecom operators that suffer increased operating costs in their data centers and networks, which can affect their investment decisions and priorities. The increase in data traffic in fixed and mobile networks is mainly driven by video, where the global trend is more streaming services with higher image resolution. As specialists in technology for video traffic optimization, we work with leading operators to reduce their energy usage and climate footprint, in a way that minimizes the impact for subscribers and is compatible with existing legislation, such as the principle of net neutrality.

The war in Ukraine has created a geopolitical situation and a threat scenario in Europe that will probably remain for the foreseeable future. As specialists in cybersecurity for mobile systems, we have had the opportunity to study how infrastructure and communication systems play a central role in the conflict. The mobile networks in Ukraine are important for disseminating information that affects both combat morale and tactical decisions. Some of the measures taken by the Ukrainian authorities, for example to quickly prevent the connection of foreign mobile phones to Ukrainian mobile networks and to connect all national mobile systems, have probably been critical in the conflict and should be part of all countries' emergency planning.

Despite an uncertain state of the world, we have a positive view on the markets for 5G and advanced cybersecurity. Investments and technology shifts in these areas are needed to protect and make networks and infrastructure more efficient worldwide. As an established and specialized software vendor, we are well positioned when customers choose new suppliers, and our ambition is to increase revenue by gaining market share with innovative products and new business models. We continue to look for complementary acquisitions that strengthen our market position, which is made possible through our strong financial position. Our goal is to grow revenue organically in the coming years while maintaining a good operating margin. However, seasonal effects in the market as well as individual deals and license income, can create variations in our income between quarters.

I want to take this opportunity to thank all customers, employees, and shareholders for your trust and cooperation. Our products contribute to safer and more efficient communication systems worldwide, and we continue to focus on creating profitable growth in exciting markets, where we can be at the forefront of the development.

Jan Häglund
President and Chief Executive Officer

08.

BUSINESS CONCEPT AND STRATEGY

Our business concept is to develop and sell software that makes digital communication in mobile and enterprise networks more efficient and secure.

Software for Telecom and Cybersecurity

GROWTH STRATEGY

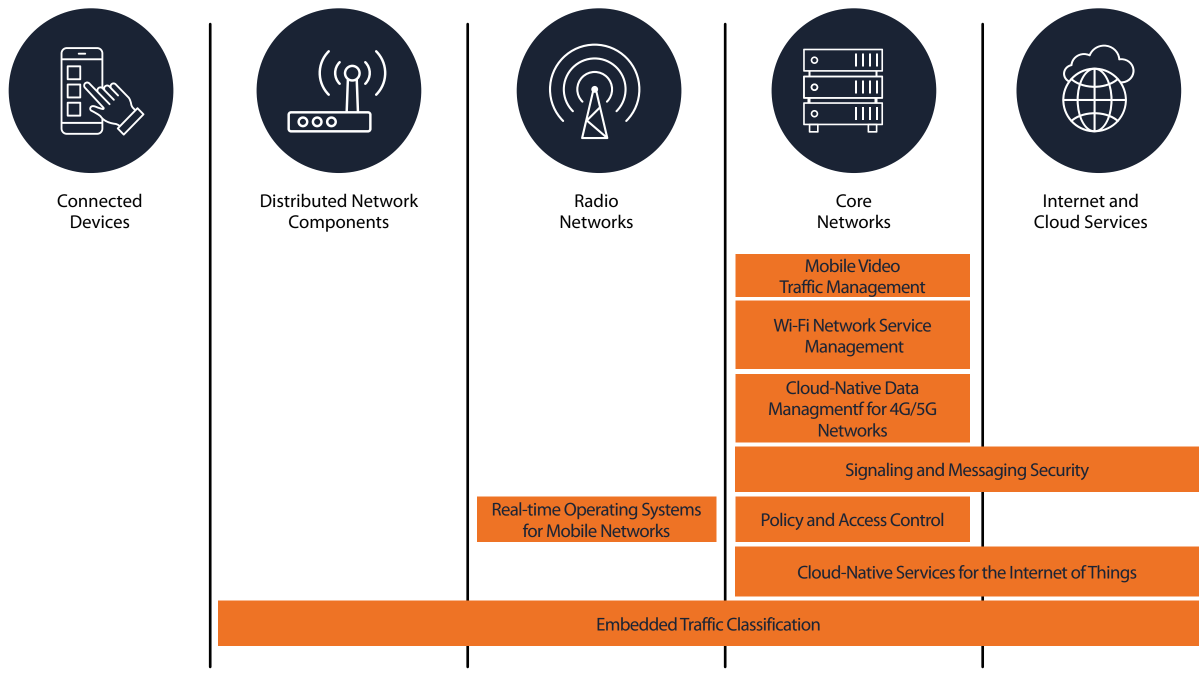
People, enterprises, and societal functions worldwide are increasingly dependent on secure and reliable digital communication. The trend towards higher traffic volumes and more connected devices is expected to continue, creating driving forces for new investments in technology that protects and makes digital communication more efficient. Our growth strategy is based on developing and selling market-leading network solutions to customers all over the world.

Technology shifts towards cloud-based solutions and fifth generation mobile networks (5G) are changing the dynamics of markets previously dominated by a few suppliers. Traditional solutions, often based on components from a single supplier, are increasingly being replaced by open, cloud-based systems where different suppliers provide specialized software. As a leading software vendor, we are well positioned to benefit from this development.

Our growth in recent years has been driven by the Network Solutions product group, and the revenue in this area has grown thanks to a combination of product development 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 dramatic increase in video traffic combined with rising operating costs is generating demand for video optimization solutions among mobile operators worldwide. Another example is classification of network traffic, an essential feature of most cybersecurity solutions. A third example is cybersecurity for mobile networks, where increasing volumes of traffic between networks lead to new security threats. The common feature of all these segments is that we have global leadership, and a market-leading product portfolio.

KEY SEGMENTS

Enea focuses on a cluster of carefully selected segments, where we pursue leadership.



INVESTMENT AREAS

An important investment area is cybersecurity, where over the past year we have broadened both the offering and the customer base through the previous acquisition of AdaptiveMobile Security. The need for improved security in mobile networks is increasing worldwide and we are well positioned to take a share of this growing market. Another investment area is core networks for the fourth and fifth generations of mobile telephony (4G and 5G), where early investments in research and development have resulted in key contracts for 5G data and traffic management.

BUSINESS AND SALES MODELS

Our business model is based on the development and sale of software products. In most cases, the software is licensed to the customer, where recurring revenue is generated through time- and volume-based licenses, so called production licenses, technical support, and maintenance. It is also becoming more common to provide Software as a Service, where the customer pays us for use of the software and the software is provided using cloud-based technology.

We work in parallel with two different sales models. The first model is direct sales targeting telecom operators and service providers in key markets in North America, Europe, and Asia. We have continuously strengthened the sales organization, and in recent years announced several major contracts based on business relationships with leading telecom operators and service providers.

With the second model, our software is delivered in collaboration with selected partners. This makes it possible to offer products and solutions to customers and in markets that we would be difficult for us to reach on our own.

ACQUISITIONS

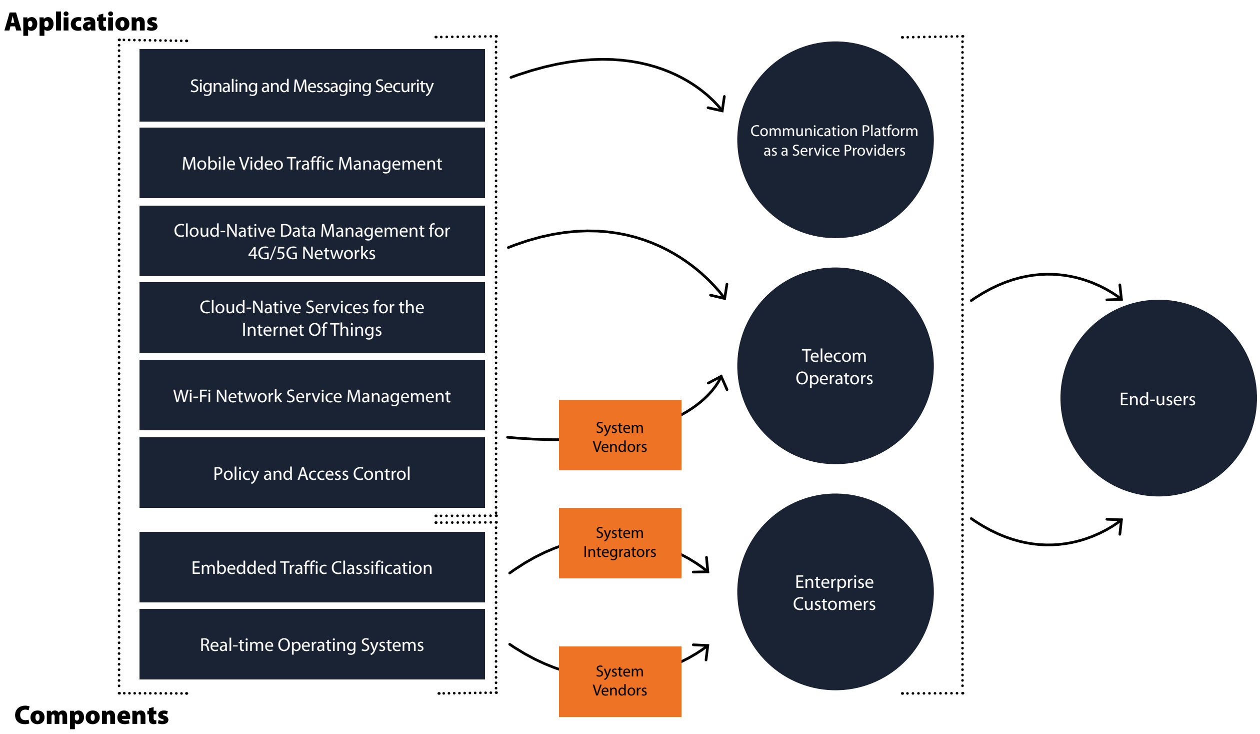
Our strategy is based on creating long-term, organic growth in the Network Solutions product area. At the same time, complementary acquisitions are an important way to accelerate growth, and over the past five years we have successfully acquired and integrated several companies in this product area. With a strong financial position, we have good opportunities to finance further acquisitions and potential candidates are continuously evaluated.

Growth is driven by product group Network Solutions, with steady increase in turnover in recent years.

Business Concept

The business concept is to develop and sell telecom and cybersecurity software, either as a product or as a service.

PRODUCT PORTFOLIO AND SALES MODELS



Strategy

The strategy is to identify and focus on areas where there is both underlying growth and good profitability, as well as an opportunity to go from challenger to market leader.

12.

MARKET

We are a world-leading software specialist in a global market for mobile networks and secure communication solutions. There are various customer segments in this market, with increased demand for mobile and fixed data communication services being the collective growth driver.

GROWTH DRIVERS

The underlying driving force for growth in mobile infrastructure and communication solutions is the ever-increasing demand for fast, reliable, and secure communication. The number of subscribers and connected devices continues to increase, as does the total volume of traffic in different types of networks. Growing subscriber numbers and network traffic generate investments in capacity, but also drive efficiency and technology development since service providers' revenues do not increase in line with the growth of network traffic. Cloud platforms, fiber deployment as well as new generations of Wi-Fi and mobile systems are some of the technology shifts that are already underway and are expected to continue the coming years. The increasing dependency on digital communication by individuals, companies, and society, means that the vulnerability to cyber threats increases. Investment to protect mobile networks and digital communication is a priority and has gained additional attention due to a more uncertain state of the world.

CUSTOMERS AND COMPETITORS

Our most important customer segment comprises major telecom operators that use our software and cybersecurity solutions in their networks to deliver communication services to subscribers and enterprises. It is a strategically important customer segment, providing opportunities for long-term contracts with stable income while setting high demands. This makes us more competitive, and we already have established business relationships with many of the largest telecom operators, which in turn creates opportunities for cross-selling with other parts of our portfolio. Additionally, we have the ambition to win new customers and gain market share by challenging established suppliers as a technology-leading software company.

Primarily, new business is related to applications and network functions for 4G and 5G, as well as signaling and messaging security solutions in mobile networks. One example is software for user data management, an area where we have won several large contracts in recent years and where we have established ourselves as an alternative to the few system suppliers that have traditionally dominated the market for mobile infrastructure.

Another important customer segment comprises system vendors in communication and cybersecurity. These customers integrate our software as components in their solutions and we operate as subcontractor. One example is our traffic classification software, which is often integrated into the customers' applications. This customer segment represents business that grows with the customer's delivery volumes, and so-called production licenses imply a high share of recurring revenue. In some cases, competition comes from the potential customer's in-house development projects, where attempts are made to develop functionality instead of buying off-the-shelf software.

With the acquisitions of recent years, we have broadened our customer base and started targeting completely new market and customer segments. System vendors in Communication Platform as a Service (CPaaS) are one example. These customers use our messaging security solutions to protect enterprises and subscribers from unwanted traffic. In this area, service-based business models and cloud-based delivery models are becoming more common place. For us, it marks a step into a new and expansive market segment.

TRENDS

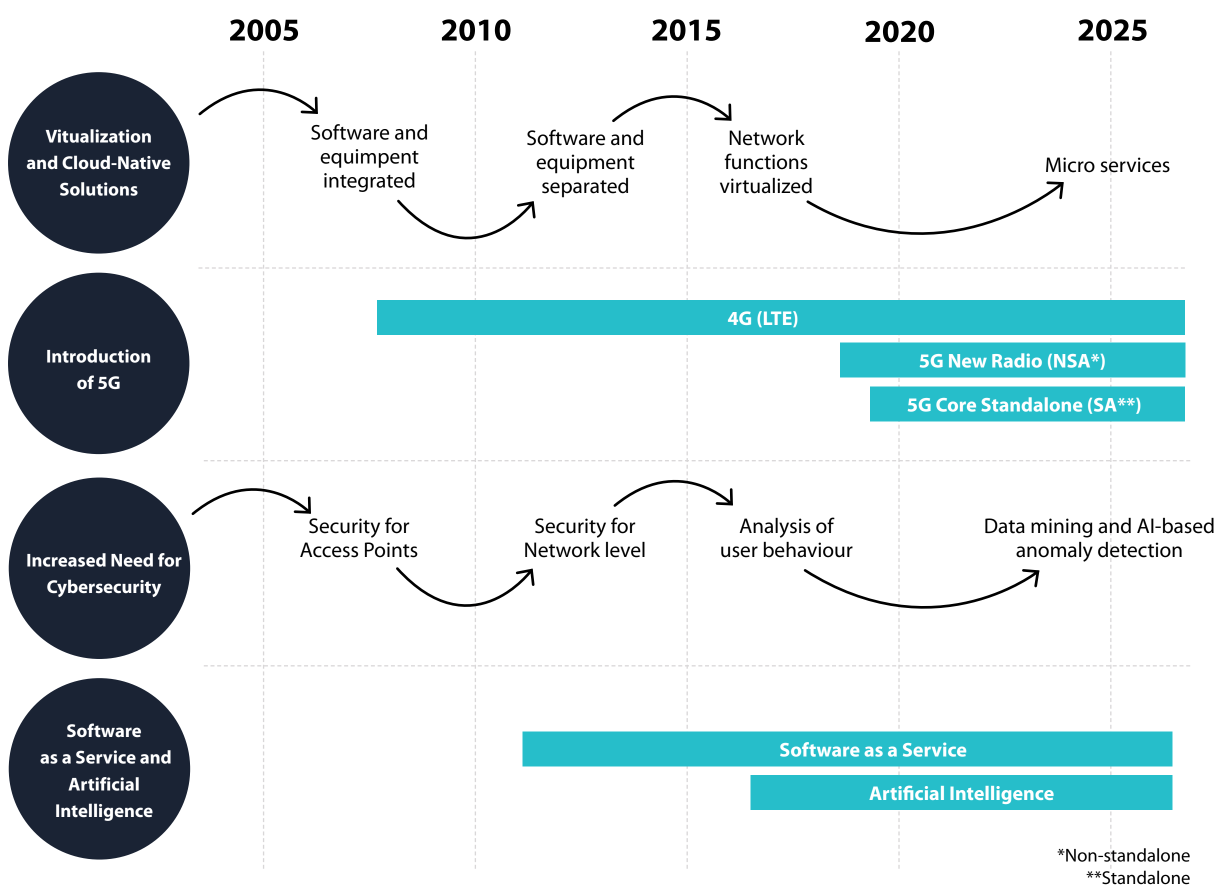
The market for mobile infrastructure and communication solutions is evolving rapidly. Delivery and business models are transforming with an increased focus on cloud-based solutions and a larger part of service-based business models. Meanwhile, a generational shift from 4G to 5G has begun, which drives the expansion of networks while creating opportunities for new players and services. Also, several external conditions have affected the market in recent years, including the pandemic, trade conflicts, geopolitical risks, and increased cybersecurity threats.

The introduction of 5G means both new business opportunities and a shift in technology. The new generation of core networks is based on an open architecture with standardized interfaces and software that is divided into well-defined, interchangeable function blocks. For operators, this development means that you get more flexible systems with fewer lock-in effects. It becomes easier to combine network functions from different suppliers, and operators thus have greater freedom to choose the best components for their overall solutions. This development creates new sales opportunities for us as a specialized software supplier with a focus on selected network functions.

Another clear trend is the use of cloud-based solutions. It involves both public and private cloud platforms, where the latter is still dominating among mobile operators. This trend has implications for both technology choices and business models. Technically, it is about adapting software for cloud-based environments, with new demands on the underlying software architecture and a greater need for flexibility and scalability. The move towards cloud-based solutions may eventually enable new business models based on usage and actual utilization, which means software is provided as a service rather than as a limited number of software licenses.

A third trend of great importance concerns security. With systems becoming increasingly complex, increasingly open and connected to the Internet, the number of potential and real threats is growing. Mobile traffic networks are no exception. In the news flow recently, there have been many examples of how states, operators, and individuals have been exposed to cyber-attacks and attempted intrusions. Here too, geopolitical factors contribute to additional and greater risks, and mobile infrastructure is more frequently a priority target for malicious actors.

GLOBAL TECH TRENDS



14.

PRODUCTS AND SERVICES

We deliver products and solutions for telecom and enterprise networks. The offering is based on the unique collective competence of our specialists in areas such as 5G, cybersecurity and cloud-based solutions. Our offering also includes operating systems for various types of applications.

Unique Offering for Secure and Efficient Communication

MARKET SEGMENTS

Our product portfolio can be divided into two market segments:

- Network Solutions
  – software for communication networks with a focus on cybersecurity and on optimizing user experience and data management.

- Operating Systems
  – software that serves as the link between computer equipment and the applications being used by the customer.

DIVESTMENT

In June, we divested the services business for software development, which means that we no longer develop software on assignments from individual customers. The rationale behind the decision was to become a pure software company and focus on product sales.

Our Most Important Products

NETWORK SOLUTIONS

Within the Network Solutions market segment, we offer products adapted for cloud-based solutions that meet the telecom and IT industry's high requirements on reliability and security. This part of the product portfolio includes, among other things, the following:

STORAGE AND MANAGEMENT OF SUBSCRIBER DATA

Products that enable telecom operators to build scalable and secure solutions for storage of information related to subscriptions and services, as well as managing this information regardless of the type of core network and data structures being used. The portfolio also includes applications to authenticate users' subscriptions and control the use of services based on the terms and conditions of the subscriptions.

TRAFFIC MANAGEMENT

Products that enable mobile operators to classify, filter, and mediate data traffic, as well as control and optimize encrypted video traffic for a better user experience and a more even utilization of network resources. The products in this area form part of the Openwave Traffic Management product family.

MOBILE NETWORK SECURITY

Products that enable mobile operators to detect and prevent attacks via signaling networks in mobile networks at an early stage, and to analyze message traffic in real-time to protect mobile subscribers against fraud. The products in this area form part of the AdaptiveMobile Security product family.

MANAGEMENT OF WI-FI AND INTERNET OF THINGS SERVICES

A platform for managing services in public Wi-Fi networks, and a cloud-based service that enables mobile operators to create secure, flexible, and innovative services for the Internet of Things. The products in this area form part of the Aptilo product family.

TRAFFIC CLASSIFICATION

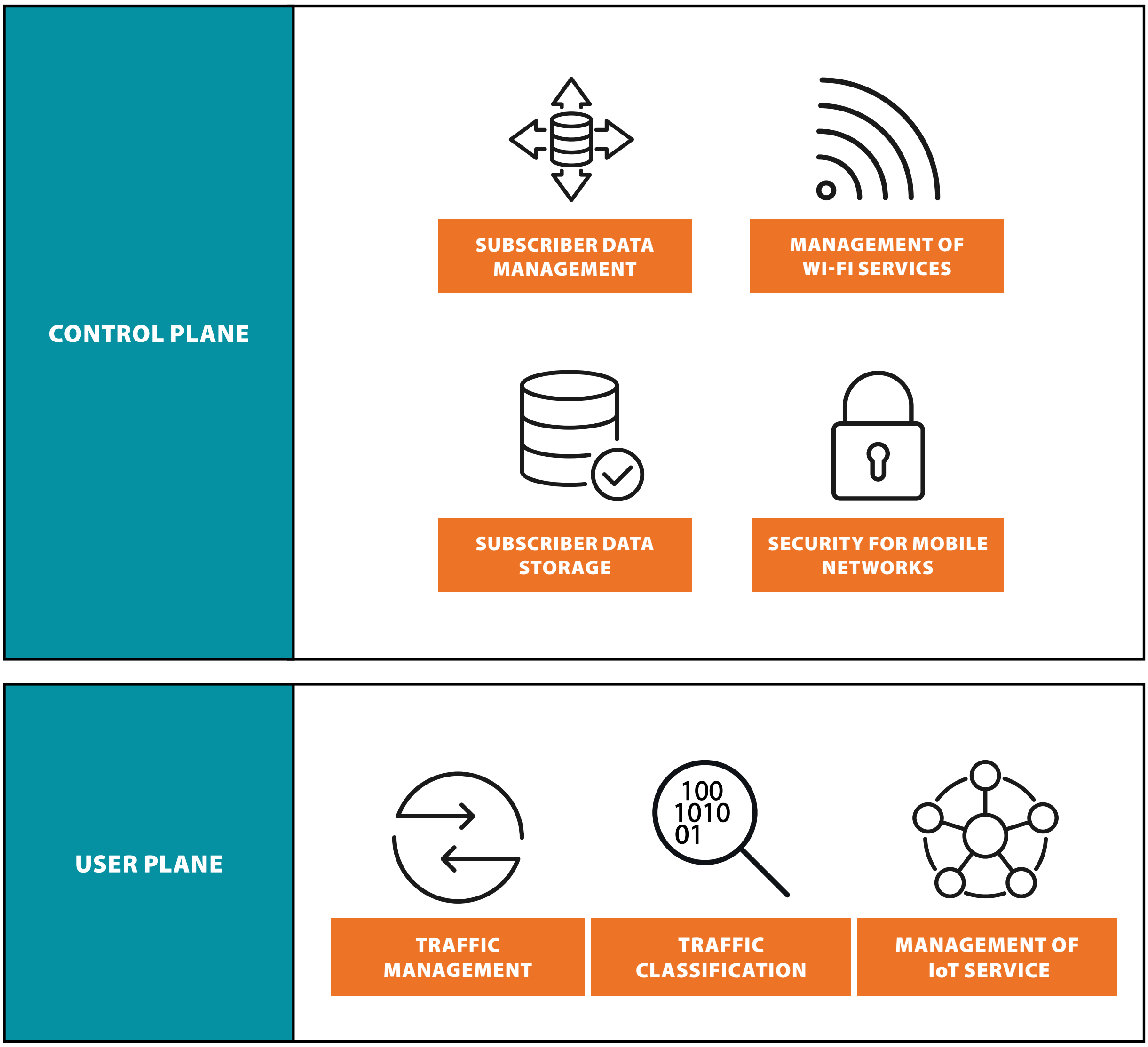
Products that make it possible to classify data traffic in telecom and enterprise networks, providing improved cybersecurity and simplifying network planning. Can be implemented as an embedded component in the customers' applications or as a separate software-based probe.

OPERATING SYSTEMS

Within the Operating Systems market segment, we provide high-performance real-time operating systems for telecom and data networks, and for embedded applications. They enable customers to launch new solutions faster, reduce risk, and lower costs throughout the product life cycle.

REAL-TIME OPERATING SYSTEMS

Products for communication between applications and computer equipment, which optimizes the capacity and utilization rate of processors, among other things.



18.

HUMAN RESOURCES

It is important that all employees feel involved and contribute to the success of the company. The most important factors for achieving the company's ambitious goals are the competence and commitment of our employees and how innovative they are in their line of work.

CORE VALUES

Our corporate culture and ways of working are built on five shared core values, which were devised in dialogue with employees in a series of workshops at our local companies. These values govern how we act in work situations towards customers and colleagues, and constitute the foundation for us as a successful company and as an attractive employer.

The five core values can be described as follows:

- Customer Focus – we spend time on understanding customer requirements, to ensure mutual success.
- Accountability – we honor commitments and deliver on promises, to customers and to each other.
- Innovation – we promote trying new concepts, business models, and ways of working.
- Agility – we move quickly, adapt to change, and embrace new opportunities.
- Teamwork – we compete and win as one team and one company, not as individuals.

COMMITTED EMPLOYEES

We are determined to remain an attractive employer with committed employees. Hence, we introduced a more extensive employee survey in 2022. The result confirmed a very high level of 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. These initiatives are based on the understanding that employees who are happy and feel well, also perform better.

A LEARNING ORGANIZATION

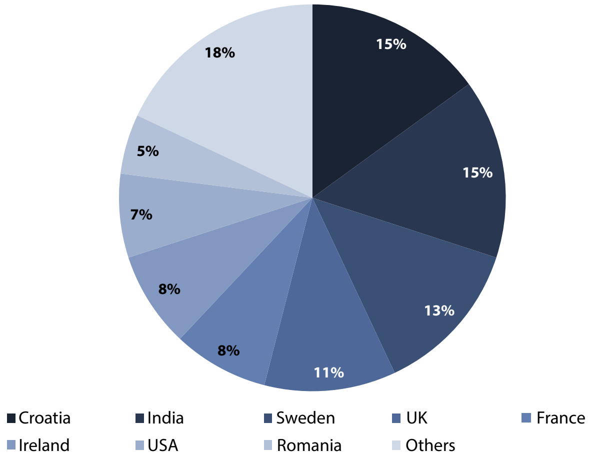
The technological development in telecom and cybersecurity continues at a rapid pace, which is due to the customers' placing ever higher demands on improved products and new functions. As a world-leading specialized supplier of software, it is important to give employees the opportunity to further develop skills. Above all, this is achieved through continuous learning in daily work, which requires a great deal of commitment and an ability to adapt methods to new conditions. We have many employees with unique expertise in their respective fields. This means that collaboration and knowledge sharing between colleagues also represent opportunities for competence development. Each employee has a development plan based on the company's needs and the interests of the individual employee.

DIVERSITY IN AN INTERNATIONAL ENVIRONMENT

We have an international business and a global presence. It is of utmost importance for us to be at the forefront of research and development. To be able to use local competence, we have a number of development centers in Europe and Asia, and our global presence facilitates recruitment. Most employees in product development are based in Eastern Europe and India, where we also have groups for technical support and product-related services.

Diversity is a critical factor for the creativity and innovation that we need to remain a successful company. It is also important that our organization reflects the customers' organizations 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 share of female employees to reach 30 percent by 2030. Creating an even more attractive workplace for both men and women, requires active work as well as investments in recruitment and training



Workforce: 543 people

LEADERSHIP

Good and effective leaders are characterized by the fact that they trust both their own leadership and the abilities of other people.

We work with different types of initiatives to give leaders and employees the opportunity to evaluate their efforts and gain valuable insights. For example, there is a well-functioning process for staff appraisal interviews. The annual employee satisfaction survey also showed that leadership is one of our main strengths, with results clearly above relevant external indices.

THE FIVE SHARED CORE VALUES:

- **Customer Focus** – we spend time on understanding customer requirements, to ensure mutual success.
- **Accountability** – we honor commitments and deliver on promises, to customers and to each other.
- **Innovation** - we promote trying new concepts, business models, and ways of working.
- **Agility** – we move quickly, adapt to change, and embrace new opportunities.
- **Teamwork** – we compete and win as one team and one company, not as individuals.

20.
THE ENEA SHARE

Enea AB has been publicly traded since 1989 and has been listed on Nasdaq Stockholm Mid Cap (ticker: ENEA) since January 2, 2019.

SHARE PRICE PERFORMANCE

In the year, Enea's share price varied between a high of SEK 284.00 on January 4, and a low of SEK 67.60 on October 11. The closing price at year-end was SEK 86.10, which means that Enea's share price decreased by 68.3 percent in the year. This can be compared to the OMX Stockholm All-Share Gross Index (OMXSGI) and OMX Stockholm Technology Gross Index (SX9000GI), which fell by 23.0 and 35.9 percent respectively in the same period.

TRADING VOLUME

A total of 9.5 million shares were traded in the year, with total value of SEK 1,179 million (943), equating to an average of 37,707 shares (16,199) per trading day.

OWNERSHIP

Enea had 10,506 shareholders (8,891) as of December 31. Enea is listed on Nasdaq Stockholm (ticker: ENEA). The company has a total of 21,858,231 shares, including 21,615,231 ordinary shares and 243,000 C shares.

The company's largest shareholders are Per Lindberg with 34.1 percent, Första AP-fonden 7.3 percent, Handelsbanken Fonder 6.8 percent, and CWorld Wide Asset Management with 4.9 percent. The 20 largest shareholders hold a total of 73.4 percent (78.6) of the company's capital. Foreign shareholdings were 22.2 percent (20.8).

NUMBER OF SHARES

There were 21,858,231 Enea shares as of December 31, including 21,615,231 ordinary shares and 243,000 are C shares. On the same date, Enea AB held 12,952 treasury shares and 243,000 C shares, or 1.2 percent of the total number of shares.

Each share has a quotient value of SEK 1.13 and carries one vote at the Annual General Meeting. The C share carries one vote per ten shares. The total number of votes amounts to 21,639,531.

The provisions of the Articles of Association mean that there is neither limitation to transferability nor each shareholder's voting rights at shareholders' meetings.

CAPITAL STRUCTURE

In a company of Enea's nature, where the development and sale of software is a significant part of operations, maintaining a strong financial position is important. For Enea to also continue growing through acquisitions, the company may be net leveraged over time. The Board of Directors continuously monitors the company's long-term financing need.

DIVIDEND POLICY

Enea's long-term dividend policy is to transfer at least 30 percent of profit after tax to shareholders. However, the financial position, cash flow, opportunities for acquisitions and future prospects, should also be considered.

Given the opportunities for acquisitions and future prospects that the Board of Directors foresees for the coming years, no dividend is being proposed for 2022.

AUTHORIZATION – PURCHASE OF TREASURY SHARES

The AGM 2022 resolved to authorize the Board of Directors to decide on the purchase and transfer of treasury shares. The purchase of treasury shares is only permitted via Nasdaq Stockholm, or in a takeover bid to all the company's shareholders. The maximum permitted purchase is such that the holding of treasury shares at no time exceeds 10 percent of all the 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 by means other than cash. A maximum of 10 percent of the total number of the 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 2023.

The purchase of shares on the stock exchange is only permitted within the price range quoted on the stock exchange on each occasion. Transfer coincident with acquisitions is permitted at the market value determined by the Board of Directors.

Source: Modular Finance AB. Compiled and processed data from, among others, Euroclear, Morningstar and Finansinspektionen.

The purpose of the purchase and transfer of treasury shares is to continuously adapt the company's capital structure to its capital requirements, to enable full or part funding of acquisitions, and to ensure that shares are available in approved Share Savings Programs.

NEW SHARE ISSUE

The Annual General Meeting 2022 authorized the Board of Directors to decide on new share issues on one or more occasions in the period until the Annual General Meeting 2023, to finance continued growth and expansion, for example in connection with acquisitions.

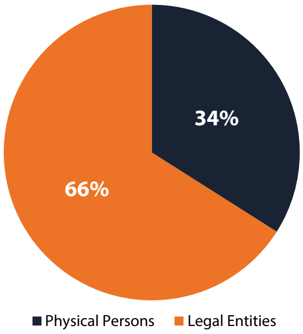
This authorization meant that the Board of Directors is authorized to issue shares corresponding to a maximum of 2,185,823 shares, i.e. a maximum of 10 percent of the number of outstanding shares as of the date of notice to the Annual General Meeting 2022.

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

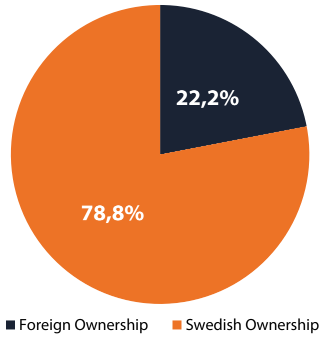
INVESTOR RELATIONS

Enea's Investor Relations work is characterized by transparency, as well as relevant and accurate information. The company provides this information in the form of press releases, Interim Reports and Annual Reports, and on the Enea website. Stakeholders can subscribe to press releases and financial reports via e-mail.

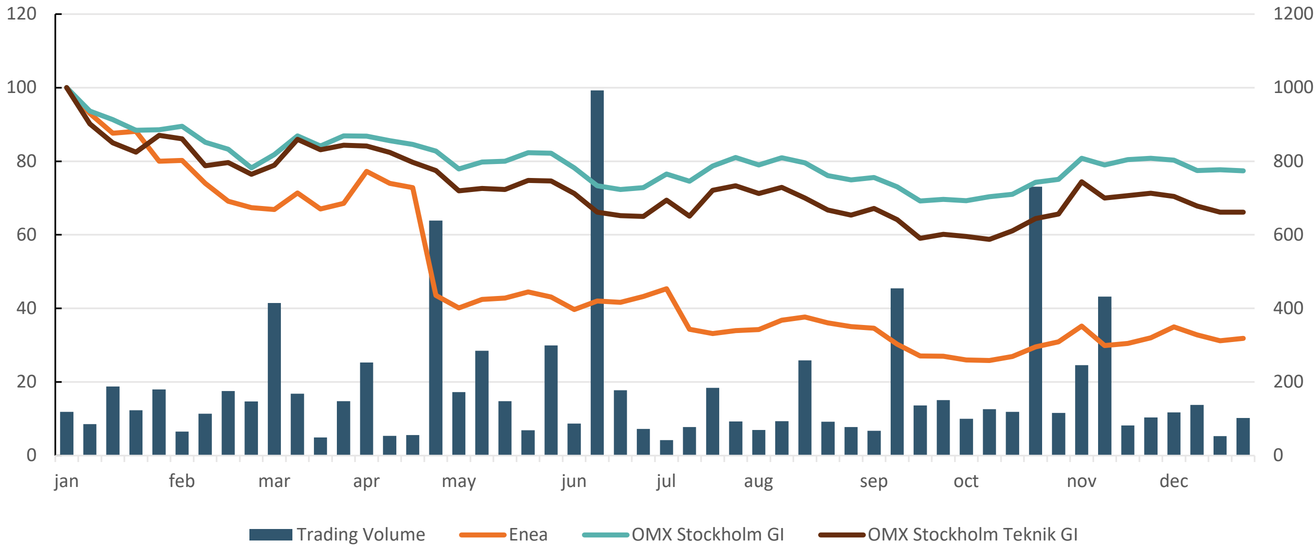
Legal Entities and Physical Persons, Based on Shareholdings, Percentage of Total Number of Shares



Swedish and Foreign Ownership, Based on Shareholdings, Percentage of Total Number of Shares



THE SHARE, 2022



SHARE-RELATED KEY INDICATORS, SEK

	2022	2021	2020	2019	2018
Net asset value per share	106.06	82.66	69.09	69.54	50.99
Earnings per share	10.43	9.30	6.63	8.47	7.33
Earnings per share after full dilution	5.05	8.61	6.05	8.23	7.25
Cash flow from operating activities per share	7.73	15.43	11.43	12.24	8.72
Dividend per share[1]	0	0	0	0	0

[1] *Board of Directors' proposal to the Annual General Meeting 2023*

SHAREHOLDERS BY SIZE OF HOLDING - DECEMBER 31, 2022

Holding	No. of Share-holders	No. of Shares	Percentage of Votes and Capital
1-500	10,326	3,846,049	17.2 / 17.7
501-1 000	42	33,827	0.2 / 0.2
1 001-5 000	67	175,871	0.8 / 0.8
5 001-10 000	12	88,984	0.4 / 0.4
10 001-15 000	3	39,969	0.2 / 0.2
15 001-20 000	6	108,906	0.5 / 0.5
20 001-	50	17,564,625	80.7 / 80.2
Total	10,506	21,858,231	100.0

TEN LARGEST SHAREHOLDERS BY OWNERSHIP GROUP - DECEMBER 31, 2022

Shareholders	No. of Shares	No. of C series Shares	Per-centage of Votes and Capital
Per Lindberg	7,376,668		34.1
Första AP-fonden	1,589,428		7.3
Handelsbanken Fonder	1,475,020		6.8
C WorldWide Asset Management	1,059,146		4.9
Swedbank Robur Fonder	700,000		3.2
Fondita Fund Management	605,312		2.8
Canaccord Genuity Wealth Management	587,367		2.7
Aktia Asset Management	395,000		1.8
Skandia Fonder	319,632		1.5
Fidelity Investments (FMR)	218,229		1.0
Ten largest shareholders	14,325,802		65.9
ENEA AB	12,952	243,000	1.2
Other Shareholders	7,276,477		33.1
Total	21,615,231	243,000	100.0

OWNERSHIP BY DOMICILE

Area	Share-holders, percentage	Per-centage of Votes and Capital
Sweden	96.8	77.8 / 77.2
Rest of Nordics	1.2	10.7 / 10.8
Rest of Europe (excl. Sweden and Nordics)	0.2	4.1 / 4.2
USA	0.3	1.8 / 1.8
Rest of World	1.5	5.6 / 6.0
Total	100.0	100.0

24.
DIRECTORS' REPORT

The Board of Directors and Chief Executive Officer of Enea AB (publ), corp. ID no. 556209-7146, with registered office in Stockholm, Sweden, hereby present the accounts for the financial year January 1–December 31, 2022, for the parent company and the Group.

Enea is a global supplier of software for telecom and cybersecurity. The revenue is mainly generated in the Network Solutions product area, which includes mobile and fixed telecommunication as well as enterprise networks. The software delivered by Enea enables, among other things, mobile operators to improve the security of their networks, ensure consistent and good quality of various types of services, and to handle large amounts of data in a resource-efficient manner. Products and solutions are sold directly to network operators and are also integrated with solutions from system suppliers.

Today, over four and a half billion people rely on our technology every day when they use mobile phones and connect to the internet.

REVENUE

Enea's revenue in 2022 amounted to SEK 964.7 million (887.5). Net sales increased by 7 percent (11) to SEK 927.7 million (863.2). With adjustment for changes in exchange rates, revenue increased by 1 percent (14).

Revenue in the Network Solutions product group amounted to SEK 800.8 million (706.5) and increased by 13 percent (22), primarily as a result of the 2021 acquisition of AdaptiveMobile Security, a business for signaling and messaging security in mobile networks. Revenue in the Operating Systems product group amounted to SEK 126.8 million (156.7) and decreased by 19 percent (22). The reduction is a consequence of key customers within this market segment increasingly using solutions based on open-source code for product launches.

PROFIT/LOSS

Enea's operating profit excluding non-recurring items amounted to SEK 142.1 million (232.2), which corresponds to an operating margin excluding non-recurring items of 15.3 percent (26.9). The non-recurring items are related to restructuring costs. Operating profit amounted to SEK 118.1 million (197.8), which corresponds to an operating margin of 12.7 percent (22.9). The currency effects on the Group's earnings amounted to SEK -11.3 million (-12.9). The gross margin for the full year amounted to 81.0 percent (86.3). The financial net for the full year amounted to SEK -17.2 million (4.7). The negative impact on the financial net derives from exchange rate losses on financial items. The profit after tax for the remaining operations amounted to SEK 109.0 million (185.5) for the full year. Profit from the divested business amounted to SEK 115.9 million (14.8). Earnings per share amounted to SEK 10.43 (9.30) for the full year and for the remaining operations earnings per share amounted to SEK 5.05 (8.61).

CASH FLOW AND FINANCIAL POSITION

The cash flow from current operations amounted to SEK 167.2 million (333.7) and the total cash flow amounted to SEK -4.2 million (7.5). Cash flow from changes in working capital varies between quarters, among other things depending on when income from major license deals is received. Cash and cash equivalents at the end of the year amounted to SEK 231.3 million (211.4). Total interest-bearing liabilities at the same time amounted to SEK 551.7 million (738.6), divided into SEK 6.7 million (268.8) in short-term interest-bearing liabilities and SEK 545.1 million (469.8) in long-term interest-bearing liabilities. The balance sheet total at the end of the year amounted to SEK 3,318.0 million (3,033.3) and the net debt at the end of the year amounted to SEK 320.4 million (527.3). Enea continues to have a strong financial position with an equity ratio of 69.1 percent (58.6).

INVESTMENTS AND DEPRECIATION

The year's investments amounted to SEK 138.6 million (631.3). Depreciation and write-downs amounted to SEK 159.9 million (139.7). Capitalized product development costs amounted to SEK 128.8 million (127.2). Depreciation and write-downs related to these amounted to SEK 88.6 million (85.8). Depreciation attributable to leasing assets amounted to SEK 15.3 million (14.1).

RESEARCH AND DEVELOPMENT

Enea conducts research and development with the aim of consolidating its position as a leading technological innovator. In 2022, product development costs amounted to SEK 298.6 million (266.2), which corresponds to 32.2 percent (30.8) of the revenue during the period. During the period, the capitalized expenditures amounted to SEK 128.8 million (127.2). The total investment in product development (excluding restructuring items) amounted to 29.1 percent (30.6) of the period's revenue.

PARENT COMPANY

The parent company's operations are primarily focused on staff functions and management related to business management, economics, finance, IT and administration. The parent company's revenue for the full year amounted to SEK 42.2 million (51.2) and loss before appropriations and tax amounted to SEK -61.8 million (-31.3). The financial net in the parent company was SEK -4.7 million (-0.7) and cash and cash equivalents and financial investments amounted to SEK 0.0 million (0.0) at the end of the year. The parent company's investments amounted to SEK 2.8 million (2.3). At the end of the year, the number of employees in the parent company was 16 people (17). The parent company does not conduct its own operations and its risks are mainly attributable to the operations of the subsidiaries.

DIVESTMENT

On April 7, 2022, Enea announced the divestment of the Software Development Services business to AROBS Transilvania Software (AROBS). The transaction was completed on June 8, 2022. The divested business was valued at EUR 17.9 million on a debt and cash free basis, including normalized working capital. The divestment strengthened Enea's financial position and contributed to a positive effect on the company's gross margin. The transaction is reported as a divested business and the financial effects are stated in note 28.

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

Guidelines for remuneration to senior executives are stated in note 4.
A remuneration report will be drawn up and presented to the Annual General Meeting. It describes how the guidelines have been applied in 2022. No deviations from the guidelines have been made and no deviations have been made from the decsion-making process that, according to the guidelines, must be applied to determine the compensation.

OTHER SIGNIFICANT EVENTS

The increased geopolitical tensions in Europe and the rest of the world as a result of Russia's war in Ukraine have increased uncertainty in the market, the high electricity prices have a negative impact on telecom operators' operating costs, and with rising interest rates, customers' capital costs increase. Overall, this affects how Enea's customers prioritize their investments. We see an increased interest in both security and efficiency investments in the mobile networks at the same time as the larger and underlying technology shift from 4G to 5G may take even longer to materialize.

The corona pandemic (the Covid-19 virus) has also affected Enea's customers to a certain extent in 2022, where certain investment decisions and upgrades have been deferred. At the same time, there is an increased need for communication, which creates an underlying demand for services and capacity in telecom and enterprise networks. The impact on Enea's operations has primarily been related to limitations in work from our offices as well as a sharp reduction in travel to customers and trade shows. However, the majority of Enea's development and deliveries can be carried out via remote work since the products are software.

SUSTAINABILITY REPORT

A Sustainability Report that has been subject to review by the company's auditors has been drawn up (see pages 30-43).

DIVIDEND POLICY

Enea's ambition is to build a larger and stronger company that provides increasing value for customers, employees, and shareholders. Acquisitions that strengthen the company's market position and long-term earning capacity, as well as continued investments in its own product portfolio, are important parts of this endeavour. To enable and be well equipped for acquisitions, Enea needs to have a strong and flexible capital structure. On occasion, this may mean that the company is net leveraged. Accordingly, the Board of Directors should also consider the company's long-term investment needs, but also the financial position, when considering dividends.

Enea's long-term dividend policy is to transfer at least 30 percent of the profit after tax 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 2022.

PROPOSED APPROPRIATION OF PROFITS

The following funds are at the disposal of the parent company, SEK:

Share premium reserve	562,748,745
Retained earnings	251,400,950
Profit/loss for the year	-5,904,023
Total	**808,245,672**

The Board of Directors proposes that these funds are appropriated so that SEK 808,245,672 is carried forward.

Significant Events

NEW BUSINESS

In April, a three-year agreement was signed with a North American mobile operator covering core network applications for 5G and Wi-Fi. Enea provides software for intelligent 5G APN allocation and data mediation for all 5G Standalone subscribers in the customer's mobile network. Enea delivers a security bridge for authentication in the customer's small cell network as well as a solution for nationwide secure Wi-Fi access, including high-capacity services for sports arenas. The agreement entails new business with an existing customer and includes software licenses, professional services, and support and maintenance. Software licenses corresponding to a value of USD 2.8 million were recognized as revenue in the first quarter of 2022, while the remaining parts are recognized as revenue throughout the entire agreement period. The total contract value amounted to USD 5.1 million.

In August, a three-year agreement was signed for mobile network messaging security with a North American communication service provider (CPaaS). Enea provides software and services to protect Application-to-Person (A2P) traffic from security threats. The agreement entails increased capacity for an existing customer and includes software licenses, services for information security, and support and maintenance. Software licenses valued at USD 1.8 million were revenue recognized in the third quarter of 2022, while other parts of the contract are revenue recognized over the term of the agreement. The new agreement means an increase in recurring revenue by USD 2.4 million during the contract period. The total order value amounted to USD 5.9 million.

In September, a contract for 5G traffic management was signed with a North American mobile operator. The solution is based on Enea's 5G service platform (5G Service Engine, 5G-SE), which is a newly developed product that was launched in July. It will, together with associated traffic management functions, improve the user experience for subscribers, increase the data speed of mobile traffic, and alleviate the radio networks. The agreement implies new business with an existing customer and includes software licenses, professional services, and product support. Software licenses equivalent to a value of CAD 3.3 million were delivered and monetized in the third quarter of 2022, while the remaining parts of the contract are delivered over the next three years. The total contract value amounts to CAD 4.4 million.

In November, an agreement was signed for Carrier Wi-Fi with a North American mobile operator. Enea's product Aptilo Wi-Fi Service Management Platform enables the mobile operator to offer Wi-Fi in public environments, increasing coverage and capacity for subscribers. The agreement entails new business with an existing customer and includes software licenses and professional services. Software licenses corresponding to a value of USD 1.2 million were recognized as revenue in the fourth quarter of 2022. The remaining part of the contract is recognized as revenue in 2023. The total contract value amounts to USD 1.6 million.

In December, Enea received an order for signaling security in mobile networks from a European telecom operator. The order entails new business with an existing customer and includes software and services in several countries. Revenue corresponding to EUR 1 million is recognized in the fourth quarter of 2022. Remaining parts of the order are recognized as revenue over a three-year period. The total order value is EUR 2.2 million.

DIVESTMENT

In April, an agreement was signed to divest the Software Development Services business to AROBS Transilvania Software (AROBS), a leading provider of software development services and a listed company headquartered in Romania. The divested business included approximately 160 employees who delivered software development and IT services to customers primarily in Europe and North America and within a range of industries, such as medical technology, maritime solutions, and embedded systems.

The divested business was valued at EUR 17.9 million (enterprise value) on a debt- and cash-free basis, including normalized working capital. The transaction was completed in June 2022. The transaction strengthened Enea's financial position and had a positive effect on the company's gross margin. The transaction is reported as a divested business and has had a positive impact on the net result of approximately SEK 116 million in the year.

FINANCING

In April, it was announced that the company had entered into a financing agreement with a fixed-term facility of EUR 40 million and a SEK 350 million revolving facility with DNB Bank ASA and AB Svensk Exportkredit (publ) as lenders. The new facilities will be used to refinance debt to DNB Sweden AB pursuant to the existing facility agreement and as working capital, including financing of future acquisitions. The new credit facilities run for three years.

OTHER

In February, the Board of Directors of Enea AB announced that it had decided to terminate the share repurchase program that was communicated on 16 July 2021. In total, shares corresponding to approximately 0.4 percent of the total number of shares and votes in the company were repurchased within the framework of the program for a total purchase price of SEK 21.7 million. All acquisitions were conducted on Nasdaq Stockholm by DNB on behalf of Enea AB during the period 20 July 2021 – 30 December 2021.

The purpose of the buy-back program which comprised no more than 180,000 shares or SEK 45 million was to ensure delivery of shares in the long-term incentive program LTIP 2019. The Board of Directors of Enea AB made the assessment that sufficient shares have been repurchased to ensure delivery of shares in accordance with the incentive program and has therefore decided to terminate the buy-back program.

Pursuant to the authorization granted by the Annual General Meeting on 6 May 2021, the Board of Directors of Enea AB ("Enea") announced in February a decision to issue and there-after immediately repurchase 243,000 class C shares. The shares were issued and repurchased in accordance with the share-based incentive program LTIP 2021 adopted by the Annual General Meeting on May 6, 2021.
The purpose of issuing and repurchasing class C shares was to convert into ordinary shares for delivery to senior executives and key employees in Enea participating in the share-based incentive program LTIP 2021 adopted by the Annual General Meeting on 6 May 2021. Allotment of ordinary shares in LTIP 2021 is to take place within ten working days of the publication of Enea's interim report for the period 1 January – 31 March 2024. Enea did not hold any class C shares previously. Class C shares are entitled to one-tenth of a vote each and are not entitled to dividend.

SIGNIFICANT EVENTS AFTER THE END OF 2022

In January 2023, a framework agreement was signed for support and operating system maintenance with one of the company's key customers. The contract is for three years and extends support services from previous one-year contracts. The contract provides guaranteed recurring revenue to a value of approximately SEK 20 million per year. The one-year contract that expired in December 2022 generated revenue corresponding to SEK 25 million.

At the end of January 2023, it was announced that Ola Burmark will leave his position as CFO of Enea for a similar role in a privately held company and that recruitment of a replacement has been initiated.

30.
SUSTAINABILITY REPORT

The Sustainability Report is for the financial year 2022, covered in pages 30-43. Material sustainability risks and their management are reviewed in the "Risks and Risk Management" section on pages 44-47.

Sustainability in Focus

In 2021, we launched sustainability initiatives that touch on business ethics, climate impact, health and safety in the workplace, diversity, and equality. The main purpose was to assess our strengths and weaknesses, establish benchmarks, and identify resources needed to measure and follow up progress.

This groundwork made it possible to create action plans and set result-oriented targets in 2022. It was also a year in which geopolitical conflicts and energy crises created economic and humanitarian challenges in many of our customers' markets, highlighting the important role our software can play in protecting and improving the efficiency of critical communication networks.

Beyond environmental and security benefits, our solutions enable the innovation that consumers, businesses, and society need to realize the promise of digital transformation – including its potential to contribute to a more sustainable future for us all.

Jan Häglund

President and Chief Executive Officer

Governance, Standards and Priorities

GOVERNANCE MODEL

Our ESG committee reports to the Executive Management Team and is chaired by the Head of Marketing and Communications, with representatives from Finance, Quality and Environmental Control, Human Resources and Communications.

To ensure sustainability is integrated into the business, responsibilities, including for the 2030 targets, are held within the relevant line organizations and managed as part of the company's established governance processes and foras, with ultimate review and approval for targets and reporting taken with the board of directors.

STANDARDS AND GUIDELINES

Our policies and targets (see table below) are aligned with the principles of the UN Global Compact and the UN Sustainable Development Goals (UN SDGs). They also conform to the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board.

To further improve ESG results and measure progress, we are regularly evaluated by independent specialists. These include CDP for environmental sustainability and EcoVadis for responsible business practices (environment, labor, human rights, ethics, and sustainable procurement).

As part of our commitment to market transparency, we also report sustainability data to Nasdaq and we are a certified Nasdaq ESG Transparency Partner.

PRIORITIZED AREAS

In 2022, 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 SDGs, market requirements, regulations, and our ability to have a positive impact.

Prioritized Areas	Governance Policies and Targets
Working Environment	Our business success depends on our ability to attract and retain the best talent in a highly competitive market where technology and security expertise is in demand in many industries. Our company culture and work environment are critical in this regard, and we strive to provide fulfilling work in an environment that allows everyone to contribute and achieve their full potential. During the year, we conducted a global employee satisfaction survey which demonstrated a high engagement rate (80 percent) and provided a benchmark for continuous improvement. Based on the survey and continued engagement with employees and managers, we continue to offer a hybrid work environment with the aim to balance the benefits of in person collaboration, connection and innovation with the convenience and flexibility of remote work. To ensure the well-being and health of our employees, we provide (in accordance with local tax and employment conditions, and social support) benefits that include health insurance, gym membership, access to the racquet club, company breakfast, and games rooms. To ensure a safe, healthy, and rewarding work environment, the fundamental human and labor rights of the workforce are integrated into our Internal Code of Conduct, including: • the right to privacy • freedom of association and collective bargaining • protection from discrimination, forced labor, and child labor • respect for occupational health and safety • the right to safely report any behavior thought to violate laws or our Internal Code of Conduct, including a secure and anonymous whistleblowing service

Prioritized Areas	Governance Policies and Targets
Diversity and Gender Equality	Enea benefits from an internationally diverse organization, in part due to the global nature of our operations. The executive team includes five nationalities and the recruitment of two female executives brought gender diversity to 29 percent during the year. In our total workforce, however, we aim to improve our gender diversity to improve our innovation capacity, competitiveness and business performance. In 2022 we established gender diversity targets for 2030 with associated roles and responsibilities in the line organization and our governance processes to ensure focus and follow up. Our Internal Code of Conduct provides guidelines for ensuring non-discrimination. With a multicultural workforce, diversity is already a core strength of our organization. This makes us more creative, improves decision-making, and strengthens the bottom line. To further improve, we set targets in 2022 to increase gender equality, with a target to: • 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. *
Business Ethics	Our internal code of conduct states rules governing business ethics, including responsibility for our customers, partners, employees, shareholders, and other stakeholders. In their daily work, our employees should comply with local laws and regulations and anticorruption legislation. Specifically, we evaluate potential business deals to ensure compliance with laws and controls, as well as for potential ethical considerations and reputational risks. Our procedures and governance require that major business deals and contracts are reviewed by a deal committee that includes the executive team and key specialists. Any potentially sensitive business, for products that are subject to export control, or have potential for misuse, are carefully reviewed independent of contract value. In the year we have declined business based on risk assessments taking into account potential contracting entities and countries where products would be deployed. In 2022, we performed an annual review and update of our Internal Code of Conduct and our Code of Conduct for Suppliers. To monitor our performance, we established the following key performance indicators: • Conduct ESG evaluation of our top 10 strategic suppliers by 2023 • Ensure 90 percent of employees complete Code of Conduct training every second year • Achieve 100 percent compliance to our Supplier Code of Conduct for new strategic suppliers, and when renewing agreements with such external parties, by the end of 2024
Climate Impact	Our software is deployed in telecommunications networks that are recognized as technology enablers to help society and industry to become more resource efficient and resilient, and contribute to achieving climate goals. As a software product company with no hardware, physical logistics or production facilities, our main operations have a low environmental impact. During the year, we undertook a comprehensive assessment of the company's energy consumption and Co2e emissions in our main operations, which determined that our data centers represent the largest area of impact and therefore are our priority for efficiency improvement. In 2022, we consolidated our Environmental Policy at Group level, and set CO2e targets for 2030: • CO2e neutral data centers by 2030 - In cloud-based data centers - 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

**Statistics for AdaptiveMobile Security, acquired in 2021, have been integrated into the 2022 baseline.*

Targets set in 2022 for Climate Impact and Gender Equality

CLIMATE IMPACT

In 2022, we consolidated our Environmental Policy at Group level, and set CO2e targets for 2030:

- CO2e neutral data centers by 2030:
  - In cloud-based data centers
  - 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

DIVERSITY AND GENDER EQUALITY

Increase female leaders and overall workforce to 30 percent by 2030

The UN Global Goals for Sustainable Development

TECHNOLOGY FOR GOOD

Our software enables network operators, system suppliers, and service providers to successfully optimize, and secure information and communication networks, and to develop innovative services based on these networks. Through our customers' networks and operations, our software contributes to the advancement of the Sustainable Development Goals.

Our impact is notable in three areas: 1) efficiency in materials and energy use for information and communication networks, 2) enabling digital transformation, and 3) cybersecurity. Enea's software products that contribute include:

- Security firewalls for signaling that protect mobile networks, mobile traffic, and subscribers
- Messaging security that protects subscribers from scams and fraud
- Traffic classification that enables advanced network orchestration, optimization, and cybersecurity
- Security and connectivity products for the Internet of Things that support industrial efficiency
- Traffic management software that enables significant energy and resource savings for mobile network operators through optimization of video traffic

Security for Mobile Networks

The conflict in Ukraine has highlighted the dual roles of mobile networks. They have an important role in society, supporting education, access to health services, commerce, transportation, financial transactions, and the collection and distribution of news and information. In times of 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.

We are an active member of the GSMA Signaling Intelligence Group where we contribute to the GSMA Fraud & Security Group guidelines to 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.

Traffic Management

Studies conducted in 2022 show that our traffic management solutions can help the average mobile operator reduce energy consumption by over 10 percent. Environmental requirements and rising energy prices mean that reducing energy consumption is a top priority for mobile network operators. The bulk of energy consumption occurs in the radio network and is tied to traffic volume.

Given that video streaming is both the largest content category and the primary driver of growth, it has never been more important to improve the efficiency of video traffic without compromising the user experience.

↓ **~10%**

AVERAGE SAVINGS OF ENERGY CONSUMPTION PER USER IN THE RADIO NETWORK

↓ **~10%**

AVERAGE SAVINGS OF ENERGY CONSUMPTION IN THE CORE NETWORK

5G and 4G core network

- Enea Encrypted Video Manager
- Enea Service Engine

↓ **~10%**

AVERAGE SAVINGS OF ENERGY CONSUMPTION FOR CARRYING DATA TRAFFIC FROM CONTENT PRODUCERS

Community Engagement

Our employees are keen to support charities that improve their local communities.

For example, during the year an event was staged in and around Belfast, where employees cycled, ran and swam to raise fundsfor The Welcome Organisation, a local charity that supports homeless people.

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 so that private and public investment can be effectively directed to projects with the greatest impact.

It aims to achieve this by first focusing on industries that have the greatest impact on sustainability issues – positive or negative – and then working progressively on the specific ESG topics that need to be addressed, initially focusing on mitigation and adaptation to climate change.

To apply the EU taxonomy, companies must first determine whether their activities are covered by the regulatory framework for each environmental objective. If an activity is covered by the regulations, that is to say "eligible" in Taxonomy terminology, further analysis is required to determine whether any of the company's products within this activity are Taxonomy "aligned," meaning they meet the specific criteria in the regulations. In other words, the company must determine whether the products:

1) Meet 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) Do not have a negative impact on any other objectives, such as sustainable water use or pollution prevention.

If these criteria are met, as well as the social criteria in the Taxonomy's Minimum Safeguards, the activity is considered "aligned" according to the EU Taxonomy. A final step is to calculate how much of the business's turnover as well as capital and operational expenditure are related to "aligned" activities, which constitutes a guideline for sustainable investment decisions.

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

APPLICABLE FOR FY 2021/2022

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

NOT YET ADOPTED

In cooperation with external support, we analyzed potential eligibility within 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 as our core business is software development for telecom and cybersecurity. The next level analysis showed that within activity category 8.2, we currently have no ”eligible” products, which meant that no further assessment was necessary.

Concerning eligibility for the Climate Change Mitigation objective, “Data-driven solutions for greenhouse gas emissions reductions,” Activity 8.2 is a relevant activity for us, but we do not have any eligible products at this time.

Although many of our solutions can contribute to the reduction of greenhouse gas emissions, none match the activity description of being ‘principally designed for and predominately aimed at enabling greenhouse gas emission reductions’ (in the aforementioned Traffic Management example, cost savings and user experience are equally important).

Concerning eligibility for the Climate Change Adaptation objective “Computer programming, consultancy and related activities”, Activity 8.2 is again a relevant activity for us, but activities that help clients achieve adaptation goals, so-called "enabling activities", are not eligible. Only internal adaptation efforts, so-called "adaptation activities" are eligible. During 2022, we made no measurable capital or operational investments in internal adaptation activities.

The following tables summarize our reporting in accordance with the EU taxonomy 2022. In relation to 2022 financial statements, absolute turnover here is equivalent to Net Sales. Taxonomy CapEx is the Group´s total capital expenditure in 2022, as presented in the line of additions, excluding goodwill, in the note 10 (Intangible assets) and note 11 (Equipment, Tools, Fixtures and Fittings) and in the note 7 (Leases).

OpEx includes costs of R&D, maintenance and repair of buildings.

KPIs OF NON-FINANCIAL UNDERTAKINGS

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Activity Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16))	Minimum safeguards (17)	Taxonomy aligned proportion of OpEx, year 2022 (18)	Taxonomy aligned proportion of OpEx, year 2021 (19)	Category: enabling activity (20) or transitional activity (21)
		MSEK	%	%	%	%	%	%	%	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%	0%	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible butnot environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																
Total (A.1 + A.2)		0	0%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		927.7	100%																
Total (A + B)		927.7	100%																

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

Economic activities (1)	Activity Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of CapEx, year 2022 (18)	Taxonomy aligned proportion of CapEx, year 2021 (19)	Category: enabling activity (20) or transitional activity (21)
		MSEK	%	%	%	%	%	%	%	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%	0%	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																
Total (A.1 + A.2)		0	0%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		156.4	100%																
Total (A + B)		156.4	100%																

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities - disclosure covering year 2022

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria: Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	DNSH criteria ('Does Not Significantly Harm'): Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy aligned proportion of OpEx, year 2020 (18)	Taxonomy aligned proportion of OpEx, year 2021 (19)	Category: enabling activity (20) or transitional activity (21)
		MSEK	%	%	%	%	%	%	%	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)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	0%	-
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																
Total (A.1 + A.2)		0	0%																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		159.6	100%																
Total (A + B)		159.6	100%																

Performance Indicators

We have selected a number of performance indicators to follow up the results of the work in the prioritized areas (see table below). For each area, we refer to the UN SDGs concerned.

Priority area	Goals	Key indicators	2022	2021	2020
Business Ethics Procurement, sales, accounting, marketing	UN SDG: Target 16.5	Whistleblower process and portal:	Yes	Yes [1]	No
		Number of cases reported via whistleblower function:	0	0	-
		Code of Conduct for Suppliers:	Yes	Yes	Yes
		Internal Code of Conduct:	Yes	Yes	Yes
		Process established for employees to acknowledge that they have read and understood the Internal Code of Conduct:	Yes	Yes	No
Climate Impact Energy consumption, business travel, leased assets	UN SDG: Target 7.2, 9.4, 9.5, 13	Energy consumption, MWh	3,018 [2]	2,625 [3]	2,546 [4]
		Share of renewable energy	55%	46%	40%
		Energy intensity, MWh/sales, SEK m	3.02	2.69	2.78
		Scope 1 - total CO2 emissions, ton [5]	24	10	-
		Scope 2 - total CO2 emissions, ton [6]	389	170	-
		Scope 3 - total CO2 emissions, ton [7]	461	619	-
		Approved Environmental Policy	Yes	Yes	Yes
Occupational Health and Safety	UN SDG: Target 3.4, 3.8, 8.5, 8.8	Employee engagement index	80%	82% [8]	-
		Attrition rate (share of employee resignations in the year)	17%	20%	-
		Collective bargaining agreements [9]	Yes	Yes	Yes
Diversity and Gender Equality	UN SDG: Target 5.1, 5.5, 8.5, 8.8, 10.2, 10.3	Share of women in total workforce	19% [10]	21% [11]	23%
		Share of women managers	13% [10]	18% [11]	-
		Share of women in Executive Management Team	29%	0	-
		Share of women on Board of Directors	43%	43%	0
		Number of nationalities represented in Executive Management Team	5	5	5

** Data for 2021 did not include AdaptiveMobile Security, which was acquired in 2021.*

1 Whistleblower process and portal implemented in 2021.
2 Metrics for 2022 include Enea's operations in: Austria, Croatia, France, Germany, India, Ireland, Japan, Malaysia, Romania, Singapore, Sweden, the UK and USA. In 2022, Scope 2: Emissions have increased due to direct energy purchases. Scope 3: Energy consumption for leased assets where values for 2022 were not available, the consumption has been estimated based on values for 2021. Emissions for business trips have returned to more normal levels in 2022, but emissions have generally decreased due to transfer of energy consumption from leased assets to direct energy purchases.
3 Metrics for 2021 include Enea's operations in Austria, Croatia, France, Germany, India, Ireland, Japan, Malaysia, Romania, Singapore, Sweden, the UK and USA. The energy consumption of those leased assets whose values for 2021 are not available are estimates based on 2020 values. Emissions for business travel in 2021 were lower than normal because of the corona pandemic.
4 Metrics for 2020 include Enea's operations in Austria, China, Croatia, France, Germany, India, Ireland, Japan, Malaysia, Romania, Singapore, Sweden, the UK and USA.
5 Scope 1: Company-owned vehicles
6 Scope 2: Energy consumption
7 Scope 3: Business travel and leased assets
8 During 2021 employee satisfaction was measured rather than engagement, which is measured in the current annual survey.
9 Enea is party to collective agreements for employees in all countries concerned.
10 The input for 2022 did not include Software Development Services, which was divested during that year.
11 The input for 2021 did not include AdaptiveMobile Security, which was acquired during that year.
Abbreviation: SDG: UN Sustainable Development Goals

44.

RISKS AND RISK MANAGEMENT

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

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.

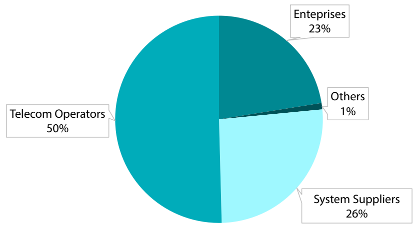
If the customers' financial ability to invest decreases, it may have a negative impact on the company's operations and financial position.

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.

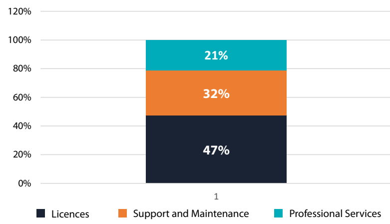
License revenue consists of both one-off income and income of a recurring nature. The initial customer agreements are normally valid for a period of 3 to 5 years.

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 2022, 55 percent (51) of the company's revenue was generated by the 10 largest customers.

The recurring revenue accounts for just over half of Enea's revenue.



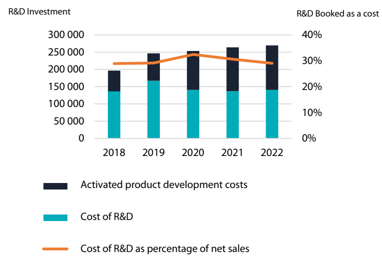
PRODUCTS AND TECHNOLOGY

Enea's business strategy is based on developing new products and improving existing solutions, which means significant investments. If products are not technically or commercially successful, it may have a negative impact on the company's operations and financial position, which may lead to changes in strategy and priorities.

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 expenditures amounted to SEK 338.3 million (269.7).



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 was 17.5 percent (20.1).

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.

During the year, Enea divested the Software Development Services business and is now purely a software product company within telecom and cybersecurity.

Acquired intangible assets amounted to SEK 2,116.6 million (2,006.7) at the end of 2022 (see note 10).

	FINANCIAL RISKS	COMMENT	EXPOSURE
CURRENCY	Currency risk implies that the value of financial assets/liabilities can vary due to changes in exchange rates.	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.	During the year, a total of EUR 5 million (10) was hedged. There were 2 outstanding derivatives with a total value of EUR 1.5 million with a rate of 10.67 at the end of 2022. If the Swedish krona had strengthened/weakened by 5 percent on average in relation to the US dollar with all other variables constant, the year's revenue would have been SEK 32 million lower/higher. The corresponding amount against the euro is SEK 15 million.
LIQUIDITY	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.	In April 2022, Enea entered into a new facility agreement with a facility with a fixed term of EUR 50 million and a revolving facility of SEK 350 million with DNB Bank SAA and AB Svensk Exportkredit as lenders. These facilities refinanced debt and run for three years.	Available cash and unused credit facilities at the end of 2022 amounted to SEK 545 million. The facilities contain customary conditions regarding debt service ratio and net debt/EBITDA. These conditions were met at the end of the year.
INTEREST RATES	Interest rate risk implies that the value of financial instruments can vary due to changes in market interest rates.	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.	At the end of 2022, the utilized financial facilities amounted to SEK 551 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.
CAPITAL MANAGEMENT	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.	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.	The Group assesses the capital on the basis of the net debt, which at the end of 2022 amounted to SEK 320 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 2022.
CREDIT RISKS	Credit risk implies that a party in a financial transaction cannot fulfill an obligation. The main credit risk for Enea is outstanding accounts receivable	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.	During the year, a SEK 2.0 million (4.8) allowance was created for doubtful debt, which during the period changed as follows: Opening balance, January 1, 2022: 10.1 Repayment of doubtful debt: -1.0 Write-off of doubtful debt: -1.6 Currency effect: 1.2 Allowance for doubtful debt: 2.0 **Closing balance, December 31, 2022: 10.6**

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 quoted 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, 2022, 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 255,952 shares, including 12,952 ordinary shares and the aforementioned 243,000 C shares, or 1.2 percent of all shares. The largest shareholders are Per Lindberg 34.1 percent, Första AP Fonden 7.3 percent, Handelsbanken Fonder 6.8 percent, C WorldWide Asset Management 4.9 percent. The 20 largest shareholders hold a total of 73.4 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 5, 2022, in Stockholm, and conducted by postal vote only, pursuant to temporary legal provisions. 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 2021
- approving fees for Directors and Auditors
- approving the Board of Directors' remuneration report for the financial year 2021
- 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, and Charlotta Sund
  ii. election: Åsa Schwarz

Anders Lidbeck was elected Chairman of the Board. Former Director Birgitta Stymne Göransson declined re-election. Öhrlings PricewaterhouseCoopers AB was re-elected Auditor.

The minutes from the AGM including decision-support documentation has been published at the company's website (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 representatives 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 AGM 2023 has the following members: Per Lindberg (own mandate), Niklas Johansson (Handelsbanken Fonder), Sophie Larsén (Första AP-fonden), Henrik Söderberg (C WorldWide Asset Management) and Anders Lidbeck (Chairman of the Board of Enea AB). The Nomination Committee has appointed Per Lindberg as its Chairman, and the Nomination Committee's complete proposals for the AGM 2023, with their reasoning, will be published in the invitation to the AGM. The invitation is published on the company'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. In the year, Enea's Board of Directors had six members elected by the AGM. 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

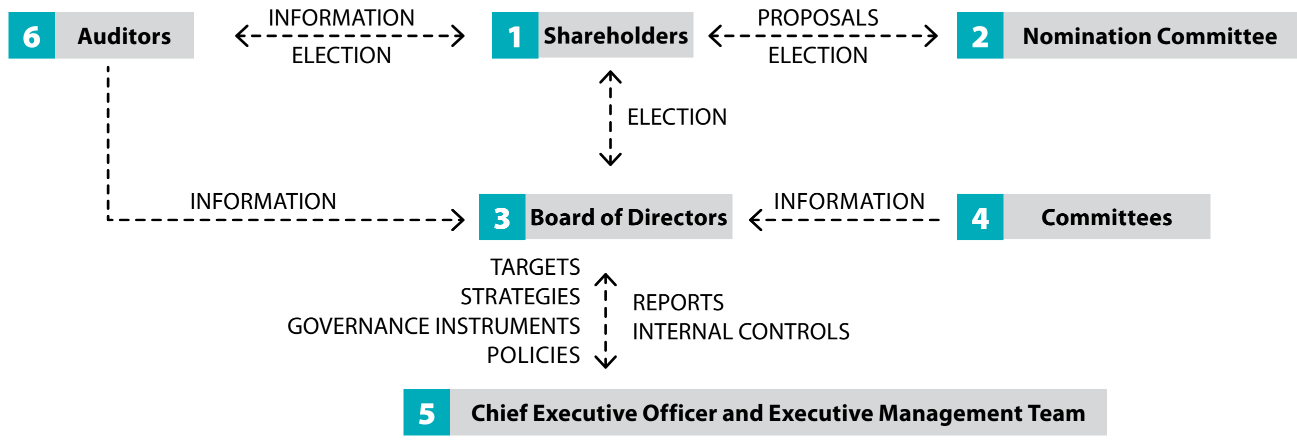
According to the Swedish Code of Corporate Governance, a majority of Board members elected by the AGM should be independent of the company and Management. A minimum of two of these should also be independent of the company's major shareholders.

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 51.

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.

GOVERNANCE MODEL - OVERVIEW



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

In the year, the Board dealt with the company's strategy and its business operations, and remuneration of senior executives. The CEO's status report, which includes ongoing monitoring of operations and forecasts, is provided to the Board each month, apart from January and July. In the year, the Board also considered these matters and Interim Reports, budgets and the business plan for 2023, as well as acquisition plans and initiated acquisition projects. Additionally, the Board discussed staff and management issues, as well as exogenous factors such as competition and technological progress.

The Board's' work was evaluated at the end of the year. The Board held 13 meetings where minutes were taken, and one Board meeting following election in 2022. Apart from regular service on the Board, certain Directors are also members of the company's Audit, Remuneration and Technology Committees. Attendance at Board meetings in the year is on page 54.

BOARD OF DIRECTORS 2022

Anders Lidbeck
Chairman of the Board
Elected 2019

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: 44,702
Committee service: Chairman of Remuneration Committee

Kjell Duveblad
Member of the board
Elected 2008

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: 10,000
Committee service: Audit Committee

Jan Frykhammar
Member of the Board
Elected 2021

Born: 1965
Education: M.Sc. in Business Administration and Economics, University of Uppsala
Previous positions: Group CEO (interim) Ericsson, Vice President and CFO Ericsson 2009-2016, Head of Business Area Global Services.
Other assignments: Chairman of the Board Aspia AB and Clavister Holding AB. Board Member of Telavox AB, ITAB Shop Concept AB, Roima Intelligence Oy, Nordic Semiconductor ASA, Alphawave Semi Plc and Ox2 AB.
Main occupation: Independent board member, senior advisor and private investor
No. of shares: 0
Committee service: Chairman of 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

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: Technology Committee

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: 450
Committee service: Remuneration 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

Birgitta Stymne Göransson resigned at the AGM 2022.
This information, which covers personal and related parties shareholdings, is as of March 23, 2023.

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 Audit Committee meetings, which are normally held once per quarter. Birgitta Stymne Göransson was a member of the Audit Committee until May.

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.

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 has been Chief Executive Officer since May 2019. He has no significant shareholdings in companies that Enea has business relationships with, and his other significant appointments and experience 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.

EXECUTIVE MANAGEMENT TEAM 2022

Jan Häglund
President and CEO
Employed since 2019
EMT member since 2019

Born in: 1966
Education: PhD in Physics at the Royal Institute of Technology in Stockholm, DEA Physique des matériaux École Nationale Supérieure de Physique de Grenoble, Master of Science Engineering Physics at the Royal Institute of Technology in Stockholm.
Previous positions: Ericsson - Head of Product Portfolio and R&D for Business unit Digital Services, Head of Product Area Network Analytics and Control, Head of Product Area IP and Broadband.
No of shares: 16,698
Max no of shares from incentive programs: LTIP 2021: 21,000

Ola Burmark
Chief Financial Officer
Employed since 2021
EMT member since 2021

Born in: 1969
Education: Bachelor of Science in Economics, Mid Sweden University
Previous positions: CFO at ZetaDisplay, Medivir, Onemed Group and Aditro.
Other assignments: Board member of Kjell&Company Group AB.
No of shares: 0
Max no of shares from incentive programs: LTIP 2021: 12,000

Ola Burmark intends to leave Enea in 2023.

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: 200
Max no of shares from incentive programs: LTIP 2021: 8,000

Camilla Vautier
Senior Vice President Service Provider Sales
Employed since 2022
EMT member since 2022

Born in: 1969
Education: Master of Science, Business Administration, Linköping University
Previous positions: Regional responsibility Industry Partner IBMs Telecom Industry Transformation Unit. Various international positions within Ericsson; Country President, Global Account Head and Regional head of Commercial Management. Non-executive Director ATC Europe.
No of shares: 0
Max no of shares from incentive programs: 0

Roland Steiner
Senior Vice President Telecom Business Unit
Employed since 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
Max no of shares from incentive programs: LTIP 2021: 12,000

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
Max no of shares from incentive programs: LTIP 2021: 6,000

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 Vodafone Ireland.
No of shares: 0
Max no of shares from incentive programs: LTIP 2021: 6,000

Erik Larsson, Senior Vice President Marketing, was an EMT member January 1 – March 1, 2022.
Jean-Philippe Lion, Senior Vice President Enterprise Business Unit, was an EMT member January 1 – July 1, 2022.

EMT members leaving Enea in 2022:
Daniel Forsgren, Senior Vice President Corporate Development
Jonas Jacobsson, Senior Vice President Head of Service Provider Sales
Brian Collins, Senior Vice President AdaptiveMobile Security Business Unit
Marius Dutu, Senior Vice President Software Development Services Business Unit

The information, which covers personal and related parties shareholdings, is as of March 23, 2023.

6. AUDITORS

The AGM 2022 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. 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

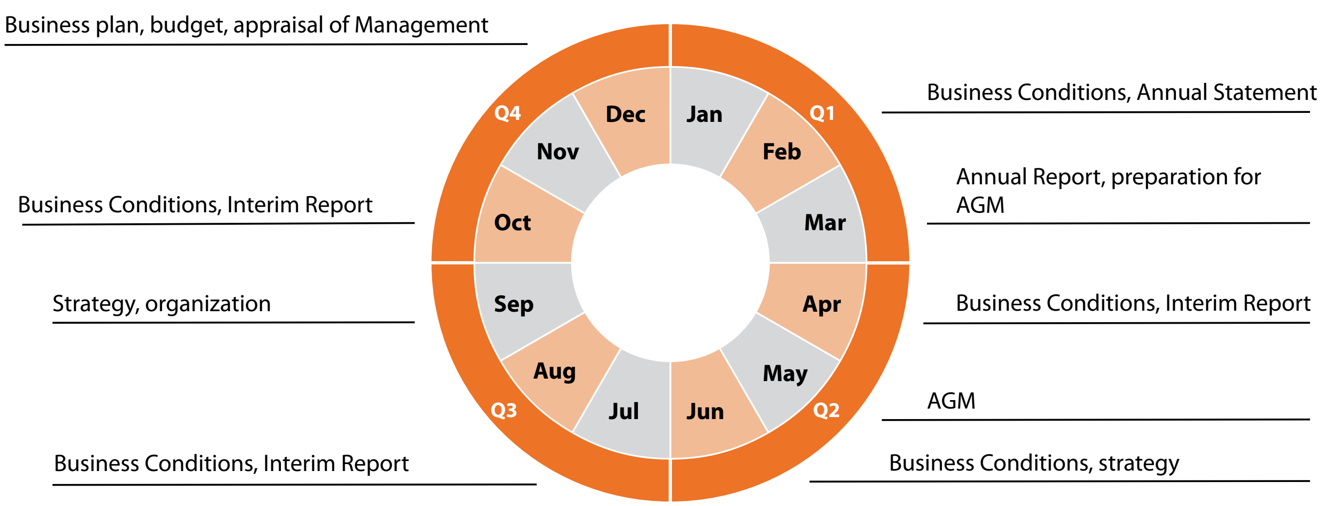
In order to hire and retain senior executives, the company offers competitive terms and conditions with remuneration at market levels. Overall remuneration to senior executives comprises basic and variable salary, pension provisions, and share-based payment. Basic and variable salary are set yearly at 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 2022

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

1 Elected at the Annual General Meeting 2022
2 Employee representative
3 Resigned at the Annual General Meeting 2022

WORK OF THE BOARD OF DIRECTORS 2022



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.

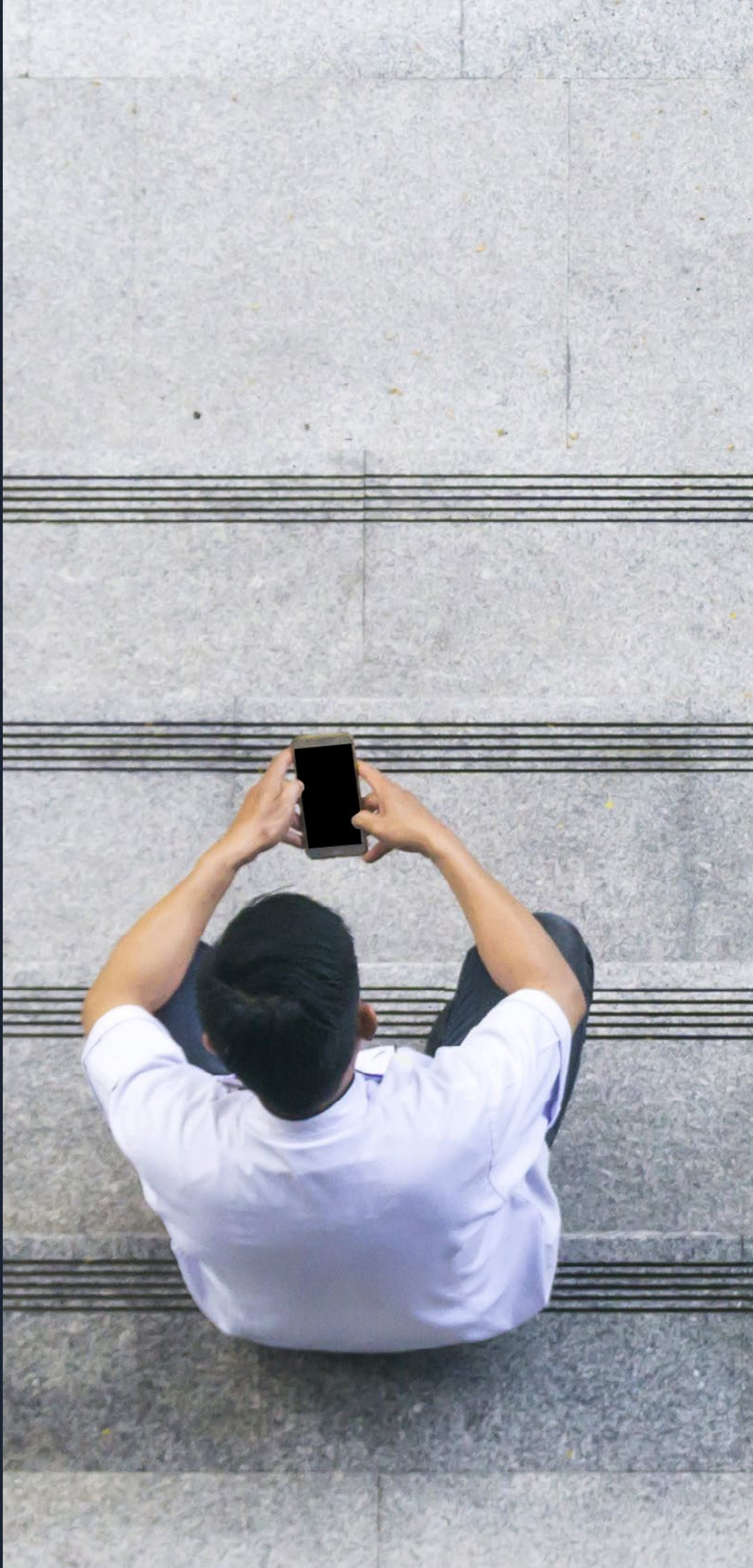
Most communication is digital, and when necessary, departmental managers meet staff to inform, follow up, and evaluate. Communication of the Board of Directors' material is digital, through a verified and secure channel. The Board's and Executive Management Team's corporate communication rules are stated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

58.
FINANCIAL REPORT



Financial report

Consolidated Statement of Comprehensive Income
(continued operations)

SEK 000 (January 1 - December 31)	Note	2022	2021
Net sales	2,17	927,670	863,205
Other operating revenue	2	37,077	24,277
Total revenue		**964,747**	**887,482**
Operating expenses			
Cost of sold products and services		-213,679	-142,509
Gross profit		**751,068**	**744,973**
Sales and marketing expenses		-232,289	-174,101
Product development expenses		-298,649	-266,171
Administrative expenses		-101,990	-106,902
Operating profit*	3,4,5,6,7,10,11,21	**118,140**	**197,799**
Financial income		281,968	99,617
Financial expenses		-299,139	-94,930
Financial net	8	**-17,171**	**4,687**
Profit before tax continued operations		100,969	202,486
Tax	9	7,984	-17,006
Profit after tax continued operations		**108,953**	**185,480**
Profit from discontinued operations		115,857	14,784
Profit after tax		**224,810**	**200,263**
Other comprehensive income reclassifiable to profit or loss			
Exchange differences		279,350	108,327
Cash flow hedges, profit before tax		-1,500	-3,224
Cash flow hedges, tax effect		309	664
Other comprehensive income not reclassifiable to profit or loss			
Pension obligations		5,847	1,014
Total comprehensive income for the year, net of tax		**508,816**	**307,044**
Net profit attributable to equity holders of the parent		**224,810**	**200,263**
Comprehensive income attributable to equity holders of the parent		**508,816**	**307,044**

*Non-recurring items included in operating profit	2022	2021
Operating profit, including non-recurring items	118,140	197,799
Restructuring costs	23,921	1,895
Write-down	-	20,100
Transaction costs for major acquisition	-	12,453
Operating profit, excluding non-recurring items	**142,061**	**232,247**
Earnings per share, SEK	10.43	9.30
Earnings per share continued operations, SEK	5.05	8.61

Consolidated Balance Sheet

SEK 000 (December 31)	Note	2022	2021
Assets			
Intangible assets	10	2,456,571	2,276,433
Rights of use assets	7	37,146	36,919
Equipment, tools, fixtures and fittings	11	21,533	25,635
Derivative instruments	15	-	534
Deferred tax assets	9	22,402	24,704
Other long-term receivables		3,593	3,742
Total fixed assets		**2,541,244**	**2,367,968**
Accounts receivables	12	292,716	219,758
Tax receivables		37,231	30,686
Prepaid expenses and accrued income	13	204,497	182,070
Other receivables		10,979	20,145
Derivative instruments	14	-	1,302
Cash and cash equivalents	19	231,302	211,370
Total current assets		**776,725**	**665,331**
Total assets		**3,317,969**	**3,033,299**
Equity	15,26		
Share capital		24,706	24,431
Other paid-up capital		992,529	992,529
Reserves		353,216	75,057
Retained earnings including profit for the year		920,750	683,992
Total equity		**2,291,201**	**1,776,009**
Provisions			
Other provisions		4,547	2,031
Total provisions		**4,547**	**2,031**
Long-term liabilities			
Deferred tax liabilities	9	116,298	124,320
Long-term liabilities, interest-bearing	24	543,216	469,829
Obligation for employee benefits	25	18,891	21,576
Long-term liabilities, lease obligations	7	23,437	21,412
Total long-term liabilities		**701,842**	**637,137**
Current liabilities			
Current liabilities, interest-bearing	24	6,622	268,832
Current liabilities, lease obligations	7	14,525	16,390
Accounts payables		21,552	24,552
Tax liabilities		5,187	2,945
Other liabilities	24	23,456	33,040
Text	14	661	-
Accrued expenses and deferred income	17	248,376	272,363
Total current liabilities		**320,379**	**618,122**
Total equity and liabilities		**3,317,969**	**3,033,299**

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, 2021	**24,431**	**992,529**	**3,411**	**-34,121**	**501,230**	**1,487,480**
Comprehensive income						
Profit for the year					200,263	200,263
Other comprehensive income						
Cash flow hedges, profit befiore tax			-3,224			-3,224
Cash flow hedges, tax effect			664			664
Translation difference				108,327		108,327
Pension obligations					1,014	1,014
Total other comprehensive income			**-2,560**	**108,327**	**1,014**	**106,781**
Total comprehensive income			**-2,560**	**108,327**	**201,277**	**307,044**
Transactions with equity holders						
Share savings program					3,155	3,155
Repurchase own shares					-21,670	-21,670
Total transactions with equity holders	**-**	**-**	**-**	**-**	**-18,515**	**-18,515**
Closing equity, Dec 31, 2021	**24,431**	**992,529**	**851**	**74,206**	**683,992**	**1,776,009**
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 comprehensie 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**

Consolidated Cash Flow Statement

SEK 000 (January1 - December 31)	Note 19	2022	2021
Operating activities			
Profit before tax		218,012	221,155
Adjustment for non-cash items		69,314	158,261
Cash flow from operations before tax paid		**287,326**	**379,416**
Tax paid		-7,324	-12,081
Cash flow from operating activities before change in working capital		**280,002**	**367,334**
Cash flow from change in working capital			
Change in operating receivables		-2,081	-12,215
Change in operating liabilities		-111,085	-21,376
Cash flow from change in working capital		**-113,166**	**-33,592**
Cash flow from operating activities		**166,836**	**333,742**
Investing activities			
Investments in intangible assets	10	-130,539	-127,228
Investments in property, plant and equipment	11	-7,669	-13,331
Investment/disposal of financial assets		-229	2,138
Acquisition of operations, net of cash*		-	-379,357
Divestment of operations, net of cash**	28	173,246	-
Cash flow from investing activities		**34,809**	**-517,778**
Financing activities* **			
Borrowing		82,839	412,994
Amortization of loan		-272,295	-181,490
Amortization of lease liability		-16,403	-18,292
New share issue		275	-
Redemption program		33	-
Repurchase own shares		-275	-21,670
Cash flow from financing activities		**-205,826**	**191,542**
Cash flow for the year		**-4,181**	**7,506**
Cash and cash equivalents at beginning of year		211,370	195,070
Exchange rate difference in cash and cash equivalents		24,113	8,793
Cash and cash equivalents at end of year		**231,302**	**211,370**

*Payments for acquisition of operation consisted of consideration for AdaptiveMobile Security (2021)

** 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	2022	2021
Net sales		**42,248**	**51,198**
Operating expenses			
Administrative expenses		-99,351	-81,779
Operating profit	3,4,5,6,7,10,11,21	**-57,103**	**-30,581**
Financial income		107,834	37,841
Financial expenses		-112,560	-38,557
Financial net	8	**-4,726**	**-716**
Profit (loss) after financial net		**-61,829**	**-31,297**
Appropriations		55,925	30,536
Profit (loss) before tax		**-5,904**	**-760**
Tax	9	-	-
Profit (loss) for the year		**-5,904**	**-760**

Parent Company Balance Sheet

SEK 000 (December 31)	Note	2022	2021
Assets			
Intangible assets	10	1,659	543
Equipment, tools, fixtures and fittings	11	3,693	3,972
Participation in group companies	18	208,616	208,616
Total fixed assets		**213,968**	**213,131**
Receivables from group companies	20	1,230,884	1,416,543
Tax receivables		1,348	1,348
Prepaid expenses and accrued income	13	10,456	7,357
Other receivables		1,859	960
Cash and cash equivalents	19	64	33
Total current assets		**1,244,611**	**1,426,241**
Total assets		**1,458,579**	**1,639,372**
Equity	15		
Restricted equity			
Share capital		24,706	24,431
Non-restricted equity			
Share premium reserve		562,749	562,749
Retained earnings		251,400	246,059
Profit (loss) for the year		-5,904	-760
Total equity		**832,951**	**832,479**
Provisions			
Appropriations		924	2,734
Total provisions		**924**	**2,734**
Long-term liabilities			
Long-term liabilities interest-bearing	24	543,216	469,829
Total long-term liabilities		**543,216**	**469,829**
Current liabilities			
Current liabilities interest-bearing	24	6,622	267,293
Accounts payables		7,641	6,929
Liabilities to group companies	20	52,605	38,169
Other liabilities		1,370	1,195
Accrued expenses and deferred income	17	13,250	20,744
Total current liabilities		**81,488**	**334,330**
Total equity and liabilities		**1,458,579**	**1,639,372**

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, 2021	**24,431**	**-**	**562,749**	**264,546**		**851,726**
Share redemption program				28		28
Share savings program				3,155		3,155
Repurchase own shares				-21,670		-21,670
Profit for the year					-760	-760
Closing equity, Dec 31, 2021	**24,431**	**-**	**562,749**	**246,059**	**-760**	**832,479**
Opening equity, Jan 1, 2022	**24,431**	**-**	**562,749**	**245,299**		**832,479**
Share redemption program				33		33
New share issue	275					275
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**	**-5,904**	**832,951**

Parent Company Cash Flow Statement

SEK 000 (January 1 - December 31)	Note 20	2022	2021
Operating activities			
Profit (loss) before tax		-5,904	-760
Adjustment for non-cash items		-47,105	-25,796
		-53,009	**-26,556**
Tax paid		-	-146
Cash flow from operating activities before change in working capital		**-53,009**	**-26,702**
Cash flow from change in working capital			
Change in operating receivables		181,661	-309,520
Change in operating liabilities		7,829	22,689
Cash flow from change in working capital		**189,490**	**-286,831**
Cash flow from operating activities		136,481	-313,533
Investing activities			
Investments in intangible assets	10	-1,424	-
Investments in property, plant and equipment	11	-1,342	-2,306
Cash flow from investing activities		**-2,766**	**-2,306**
Financing activities			
Borrowing		82,839	409,224
Amortization of loan		-270,671	-101,320
Redemption program		33	28
Group contribution received/paid		54,115	29,604
Repurchase own shares		-275	-21,670
Cash flow from financing activities		**-133,684**	**315,866**
Cash flow for the year		**31**	**27**
Cash and cash equivalents at beginning of year		33	6
Cash and cash equivalents at end of year		**64**	**33**

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 23. 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, 2022, 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, 2022. 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. The group has applied IFRS 8 Operating segments effective January 1, 2009.

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 and the 'reserves' item and contain translation differences accumulated from January 1, 2004, onwards. Accumulated translation differences prior to January 1, 2004, are allocated between other equity categories and are not disclosed separately.

Revenue

The group generates revenue from sales of software and services and applies IFRS 15 Revenue from Contracts with Customers effective January 1, 2018. 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 9.9 (9,7) million and research and development grants of SEK 3.1 (6.1) million are included in the other operating income revenue item for the financial year 2022
Government grants based on the year's research and development expense in the form of a reduction of income taxes payable of SEK 3.0 (3.5) million was received in France. Central government Covid-related loans of SEK 9.9 (9.7) 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, 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.

Recognition of Derivatives Used in Hedge Accounting
All derivatives are measured initially and then continuously at fair value in the Balance Sheet. Gains or losses arising from the re-measurement of derivatives are used for hedging purposes as follows. Changes in value pertaining to cash flow hedges are recognized in other comprehensive income and entered in profit or loss at the pace at which the hedged cash flow impacts profit or loss. Any ineffective component is recognized directly in profit or loss. Gains losses arising from the re-measurement of derivatives intended as fair value hedges are recognized in profit or loss together with changes in the fair value of the receivable or liability that is exposed to the hedged risk. To qualify for hedge accounting, certain documentation is required concerning the hedging instrument and its relationship to the hedged item. The group also documents objectives and strategies for risk management and hedging measures together with an assessment of how effective the hedging relationship is in terms of evening out changes in fair value or cash flow for hedged items, both when the hedge is initiated and in continuous recognition.

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, 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**
December 31, 2021				
Assets in the Balance Sheet				
Derivative instruments	-	1,836	-	1,836
Accounts receivables and other receivables, excluding interim receivables	-	-	283,301	283,301
Cash and cash equivalents	-	-	211,370	211,370
	-	**1,836**	**494,671**	**496,507**

	Financial liabilities measured at fair value through profit or loss	Derivative instruments used for hedging purposes	Liabilities measured at amortized cost	Total
December 31, 2022				
Liabilities in the Balance Sheet				
Liabilities to credit institutions	-	-	549,838	549,838
Liabilities lease obligations	-	-	37,962	37,962
Derivative instruments	-	661	-	661
Accounts payables and other liabilities, excluding financial liabilities	-	-	45,008	45,008
	-	**661**	**632,808**	**633,469**
December 31, 2021				
Liabilities in the Balance Sheet				
Liabilities to credit institutions	-	-	738,661	738,661
Liabilities lease obligations	-	-	37,802	37,802
Accounts payables and other liabilities, excluding financial liabilities	-	-	57,592	57,592
	-	**-**	**834,055**	**834,055**

Allocation by level in fair value measurement as of 31 December

2022	Level 1	Level 2	Level 3	Total
Derivative instruments used for hedging purposes				
Liability currency derivates	-	661	-	661
Total 2022	**-**	**661**	**-**	**661**

2021	Level 1	Level 2	Level 3	Total
Derivative instruments used for hedging purposes				
Receivable currency derivatives	-	1,836	-	1,836
Total 2022	**-**	**1,836**	**-**	**1,836**

Cash 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	2022	2021
Cash and cash equivalents	231,302	211,370
Total	**231,302**	**211,370**

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	2022	2021
Accounts payable	21,552	24,552
Other liabilities	23,456	33,040
Total	**45,008**	**57,592**

Borrowing

	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**

	2021		
	Short-term	Long-term	Total
Unsecured loans			
Overdraft facility	36,973	-	36,973
Bank loans	231,859	469,829	701,688
Total	**268,832**	**469,829**	**738,661**

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.

Property, Plant and Equipment

Owned Assets

Property, plant and equipment 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. Property, plant and equipment 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.

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.

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	2022	2021
Licenses	361,012	360,223
Support & maintenance	247,835	198,556
Professional services	191,980	147,755
	800,827	**706,534**

Net sales by revenue type Operating Systems	2022	2021
Licenses	77,666	105,003
Support & maintenance	45,303	49,668
Professional services	3,874	2,000
	126,843	**156,671**

Net sales by product group	2022	2021
Operating Systems	126,843	137,048
Network Solutions	800,828	726,157
	927,670	**863,205**

Net sales by region	2022	2021
Sweden	72,669	59,505
Americas	429,255	328,579
EMEA excluding Sweden	385,387	392,625
Asia	40,359	82,496
	927,670	**863,205**

Fixed assets by region	2022	2021
Sweden	392,078	420,519
Americas	1,135,316	957,258
Ireland	521,406	487,028
France	416,721	387,601
Rest of Europe and Asia	12,584	21,116
	2,478,105	**2,273,522**

Other operating revenue	2022	2021
Exchange gains on operating receivables/liabilities	23,572	7,552
Government grants	13,413	15,843
Other	92	882
	37,077	**24,277**

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 2022. 2021 one customer accounted for a share of 12 percent of the company's sales. Sales by geographical market are based on customers' geographical domicile.

Note 3 Exchange Gains and Exchange Losses

	2022	2021
PARENT COMPANY		
Exchange gains on operating receivables/liabilities	-	-
Exchange losses on operating receivables/liabilities	-	-

	2022	2021
GROUP		
Exchange gains on operating receivables/liabilities	23,960	7,999
Exchange losses on operating receivables/liabilities	-22,000	-5,066

Note 4 Employees and Other Senior Executives

The Annual General Meeting (AGM) in May 2022 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 2022. 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 2022 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 basic salary of the CEO and other senior executives is subject to yearly review. For the CEO, fixed basic salary may represent a maximum of 60 percent of total compensation excluding the LTIP (long-term incentive program) and assuming a 50 percent outcome of the STI (short-term incentive). For other senior executives, fixed basic salary may represent a maximum of 90 percent of total compensation excluding LTI, and assuming a 50 percent outcome of the STI.

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 CEO's agreed retirement age is 67, and other senior executives do not have any specifically agreed retirement ages. Pension to CEO is decided by the Board of Director´s based on remuneration committee´s proposal and amounts to 30 percent of total remuneration, excluding LTI. Other senior executives in Sweden have pension agreements within the ITP-plan with an expected retirement age of 65 and pension Apart from these pension benefits, the company has no pension obligations to senior executives. Senior executives employed in countries other than Sweden are subject to local pension plans in their respective home countries. Such plans are consistent with those offered to other employees in the same countries. Accordingly, in terms of retirement age and any additional pension obligations, there may be some variation in employment terms in other legislatures than Sweden where mandatory local regulation or practice requires, and accordingly, the overall purpose of these guidelines should still be met.

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.

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 2022:

"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	2022 Total	2022 Of which men, %	2021 Total	2021 Of which men, %
Parent company	17	57	15	59
Subsidiaries	602	84	693	81
Group total	**619**	**83**	**708**	**81**
of which:				
Sweden	60	85	68	86
US	52	80	57	77
Romania	89	74	204	70
China	-	-	4	75
Japan	5	100	5	100
France	49	83	57	83
Germany	12	92	12	91
UK	70	89	68	88
Ireland	46	80	25	78
Croatia	92	86	90	87
Austria	10	90	9	89
Spain	5	100	5	100
Canada	13	69	7	89
Malaysia	5	80	5	78
India	91	84	82	84
Other countries	19	100	12	100
Group total	**619**	**83**	**708**	**81**

Gender division in executive management team				
Board of Directors	7	57	7	57
Other senior excecutives	9	83	10	100

Salaries, other benefits and social security expenses	2022	2021
GROUP		
Salaries and benefits	482,217	438,391
Share-based payments	6,342	3,155
Total salaries and remunerations*	488,559	441,546
* of which Board of Directors, CEO and other senior executives 1)	30,627	33,540
Pension expenses 2)	28,730	27,754
of which defined-benefit pension plans	1,169	1,213
of which defined-contribution pension plans	27,561	26,541
Other social security expenses	72,788	85,720
Total	**590,077**	**555,020**

Salaries, other benefits and social security expenses	2022	2021
PARENT COMPANY		
Salaries and benefits	21,131	20,317
Share-based payments	-563	964
Total salaries and remunerations*	20,568	21,281
* of which Board of Directors, CEO and other senior executives 3)	14,072	11,281
Pension expenses 4)	5,279	4,628
of which defined-contribution pension plans	5,279	4,628
Other social security expenses	3,316	8,220
Total	**29,163**	**34,129**

1) Of the group´s salaries and benefits, SEK 1,034,000 (2,073,000) 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 1,933,000 (1,218,000) is for the group comprising the Board of Directors and CEO.

3) Of the parent company´s salaries and benefits, SEK 624,000 (1,606,000) 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 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**

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 2021

	Director´s fee	Audit committee fee	Remuneration committee fee	Remuneration technique committee	Total
Anders Lidbeck (Chairman)	530	-	50	-	580
Kjell Duveblad	250	90	-	-	340
Jan Frykhammar	250	50	-	-	300
Charlotta Sund	250	-	30	-	280
Mats Lindoff	250	-	-	30	280
Birgitta Stymne Göransson	250	50	-	-	300
Total 2021	**1,780**	**190**	**80**	**30**	**2,080**

Summary of compensation and other benefits in 2022

	Fixed salary	Variable remuneration	Other benefits	Share-based expenses	Total	Pension expense
CEO Jan Häglund	3,593	624	3	1,154	5,374	1,876
Other senior executives (9)	13,258	5,557	462	2,235	21,512	2,149
Total 2022	**16,851**	**6,181**	**465**	**3,389**	**26,886**	**4,025**

Number of other senior executives have varied during the year

Summary of compensation and other benefits in 2021

	Fixed salary	Variable remuneration	Other benefits	Share-based expenses	Total	Pension expense
CEO Jan Häglund	3,184	1,607	-	260	5,051	1,160
Other senior executives (10)	15,795	5,318	632	1,746	23,491	2,016
Total 2021	**18,979**	**6,925**	**632**	**2,006**	**28,542**	**3,176**

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, SEK 2,351,000 (1,663,000) relates to PwC Sweden, of tax consulting, SEK 15,000 (0) relates to PwC Sweden, and of other assignments, SEK 680,000, (730,000) relates to PwC Sweden.

	2022	2021
GROUP		
PricewaterhouseCoopers		
Audit	2,351	1,803
Other statutory assignments	82	17
Tax consultancy	15	-
Other	680	730
Ernst & Young		
Audit	-	614
KPMG		
Audit	-	183
Other statutory assignments		
Tax consultancy	-	46
Other		-
	3,128	**3,393**

	2022	2021
PARENT COMPANY		
PricewaterhouseCoopers		
Audit	2,351	1,445
Other statutory assignments	82	17
Tax consultancy	15	-
Other	31	20
	2,479	**1,482**

Note 6 Operating Expenses by Type

	2022	2021
Consumables and subcontractors	56,906	45,271
Other external costs	138,709	101,398
Staff costs	534,480	478,657
Depreciation/amortization and impairment	175,444	159,058
	905,539	**784,384**

Depreciation/amortization and impairment losses for the year are allocated between cost of sold products and services totaling SEK 1.3 (133.7) million, sales and marketing expenses totaling SEK 0.4 (3.3) million, product development costs totaling SEK 149.7 (3,7) million and administrative costs totaling SEK 24.1 (18.3) million. SEK 16.4 (18.3) million of amortization and impairment of the year is for rights of use pursuant to IFRS 16.

Note 7 Leases

Lease Arrangements

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

Right of use assets	2022	2021
Real estate	35,738	35,220
Vehicles	1,409	1,699
	37,147	**36,919**

Additional right-of-use assets in 2022 were SEK 18.2 (12.8) million, of which SEK 0 (9.7) million was additional from acquisitions.

Lease liabilites	2022	2021
Long-term	23,437	21,412
Short-term	14,525	16,390
	37,962	**37,802**

Maturity analysis of lease liabilities	2022	2021
Within 1 year	14,525	16,385
More than 1 year but within 2 years	11,589	8,774
More than 2 years but within 5 years	10,629	11,351
More than 5 years	1,219	1,292
	37,962	**37,802**

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

Amortization of rights of use assets	2022	2021
Real estate	15,430	17,125
Vehicles	1,047	1,233
	16,477	**18,358**

Interest expenses (included in financial expenses)	1,129	1,165
Expenses related to short-term leases	1,525	2,038
Expenses related to leased assets where the underlying asset is of low value	326	821
The group has no variable lease payments		

Amount reported in cash flow for the group	2022	2021
Total cash flow related to leased assets	18,254	21,151

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	2022	2021
PARENT COMPANY		
Lease payments current year	5,107	4,898
Contracted future lease payments within 1 year	4,772	4,527
Contracted future lease payments within 1-5 years	9,189	292

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

	2022	2021
GROUP		
Interest income	4,832	845
Exchange gains	277,186	98,769
Financial income	**282,018**	**99,614**
Interest expenses	-17,683	-11,087
Other financial expenses	-1,155	-203
Exchange losses	-280,351	-83,636
Financial expenses	**-299,189**	**-94,926**
Financial net	**-17,171**	**4,688**

	2022	2021
PARENT COMPANY		
Interest income, other	4,619	911
Interest income, group companies	12,901	9,270
Exchange gains	90,314	27,660
Financial income	**107,834**	**37,841**
Interest expenses, other	-16,260	-9,933
Interest expenses, group companies	-3,302	-
Other financial expenses	-1,155	-203
Exchange losses	-91,843	-28,421
Financial expenses	**-112,560**	**-38,557**
Financial net	**-4,726**	**-716**

Note 9 Tax

	2022	2021
GROUP		
Current tax expense		
Tax expense for the period continued operatios	-4,137	-21,045
Tax expense for the period discontinued operations	-1,186	-3,885
	-5,323	**-24,930**
Deferred tax		
-tax income in capitalized loss carry-forwards	6,634	12,014
-tax expense in loss carry-forwards used in the year	-10,327	-4,570
-tax expense/income related to temporary differences	11,991	-3,406
-tax expense/income related to change of tax rate	3,823	-
	12,121	**4,039**

Reconciliation of effective tax	2022	2021
GROUP		
Profit before tax continued operations	100,969	202,486
Profit before tax discontinued operations	117,043	18,669
Standard tax rate 20.6%	-44,910	-45,558
Tax effect of		
- other tax rates in foreign subsidiaries	5,576	-9,861
- use of capitalized loss carry-forwards	-	-101
- use of previously non-capitalized loss carry-forwards	6,664	20,000
- tax losses for which no deferred tax receivable reported	-555	-
- recognition of future losses carried forward	6,634	12,014
- non-deductible costs	-6,569	-4,266
- non-taxable revenue	28,507	3,381
- changed judgements	-	338
- research and development	16,738	8,263
Other tax	-9,110	-5,101
Adjustment of tax for previous years	3,823	-
Total tax cost, group	**6,798**	**-20,891**
	-7%	**10%**

	2022	2021
PARENT COMPANY		
Current tax		
Tax for the period	-	-
	-	**-**

Reconciliation of effective tax	2022	2021
PARENT COMPANY		
Profit /loss before tax	-5,904	-760
Tax 20.6%	1,216	157
Tax effect of		
- non-deductible costs	-908	-142
- tax losses for which no deferred tax receivable reported	-283	-
Other tax	-25	-15
Total tax cost, parent company	**0**	**-0**
	0%	**0%**

Deferred tax assets and tax liabilities	2022	2021
GROUP		
The following components are included in deferred tax assets and liabilities		
Deferred tax assets:		
- loss carry forwards	16,380	18,233
- temporary differences intangible assets	-	-
- other temporary differences	6,021	6,472
Total deferred tax assets	**22,401**	**24,705**
Deferred tax liabilities:		
- temporary differences	116,298	124,320
Total deferred tax liabilities	**116,298**	**124,320**

Change in deferred tax

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
Other temporary differences	6,472	-1,139	12	676	-	6,021
Total deferred tax assets	**24,705**	**-4,832**	**12**	**2,516**	**-**	**22,401**

Deferred tax liabilities	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Acquisition of subsidiaries	Closing balance
Appropriations	32,320	-13,003	-	-	-	19,317
Intangible assets	52,226	-8,664	-	4,009		47,571
Other temporary differences	39,774	4,714	-321	5,243	-	49,410
Total deferred tax liabilities	**124,320**	**-16,953**	**-321**	**9,252**	**-**	**116,298**

2021

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	10,321	7,445	-	467	-	18,233
Other temporary differences	9,117	-2,647	-	2	-	6,472
Total deferred tax assets	**19,438**	**4,798**	**-**	**469**	**-**	**24,705**

Deferred tax liabilities	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Acquisition of subsidiaries	Closing balance
Appropriations	33,770	-1,450	-	-	-	32,320
Intangible assets	32,587	-6,614	-	1,301	24,952	52,226
Other temporary differences	29,648	8,823	581	722	-	39,774
Total deferred tax liabilities	**96,005**	**759**	**581**	**2,023**	**24,952**	**124,320**

Deferred tax assets for loss carry-forwards pertain to subsidiaries in US and Ireland. Management's opinion is that the capitalized loss carry-forwards will be utilized in the coming years based on profit forecasts and that the loss carry-forwards have indefinite useful lives. Non-capitalized deferred tax assets for unutilized deficits total SEK 100.7 (88.5) million and relate to the US, Norway, and Ireland.

Note 10 Intangible Assets

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
Sales/retirements in the year	-	-	-	-	-	1,287	1,287
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	**-**	**-462,371**	**-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**

2021	Goodwill	Capitalized development costs	Product rights	Customer contracts	Brands	Other intangible assets	Total
GROUP							
Accumulated cost							
Opening balance, Jan 1, 2021	1,227,670	488,456	82,179	209,001	23,532	12,819	2,043,656
Acquistion in the year	291,156	127,228	20,833	176,458	2,325	-	618,000
Sales/retirements in the year	-	-	-	-	-	-791	-791
Translation difference for the year	76,761	15,857	3,255	5,561	1,348	52	102,834
Closing balance, Dec 31, 2021	**1,595,587**	**631,541**	**106,267**	**391,020**	**27,205**	**12,080**	**2,763,699**
Accumulated amortization and impairment							
Opening balance, Jan 1, 2021	-	-272,470	-24,753	-41,990	-68	-11,807	-351,088
Amortization for the year	-	-65,580	-11,033	-31,741	-392	-433	-109,179
Impairment for the year	-	-20,194	-	-	-	-	-20,194
Translation difference for the year	-	-3,558	-1,416	-2,571	-1	-50	-7,596
Closing balance, Dec 31, 2021	**-**	**-361,802**	**-37,202**	**-76,302**	**-461**	**-11,499**	**-487,266**
Carrying amount, Dec 31, 2021	**1,595,587**	**269,739**	**69,065**	**314,718**	**26,744**	**580**	**2,276,434**

Other intangible assets	2022	2021
PARENT COMPANY		
Accumulated cost		
Opening balance, Jan 1	8,637	8,637
Acquistion in the year	1,424	-
Closing balance, Dec 31	**10,061**	**8,637**
Opening balance, Jan 1	-8,094	-7,823
Amortization for the year	-308	-271
Closing balance, Dec 31	**-8,402**	**-8,094**
Carrying amount, Dec 31	**1,659**	**543**

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, 2022, intangible assets amounted to a book value of SEK 2,456.6 (2,276.4) whereof goodwill amounted to a book value of SEK 1,737.1 (1,595.6) million, allocated between Enterprise of SEK 444.6 (410.6) million, Telecom SEK 976.2 (866.0) million, Software development services SEK 0 (28.3) million and AdaptiveMobile Security SEK 316.3 (290.1) 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 3 (3) percent growth rate. Forecast cash flows are based on annual earnings growth for Enterprise of -2 percent, Telecom of 5 percent, and AdaptiveMobile Security of 5 percent, based on estimated growth of existing customers and underlying markets. The cost trend of Enterprise is forecasted at 2 percent, Telecom 3 percent and AdaptiveMobile Security at 2 percent. The present value of forecast cash flows was measured by applying a discount rate of 10,5 (9) 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 1 percentage points and a general increase in the weighted cost of capital by 1 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:

Variable	Assumptions Enterprise		Assumptions Telecom		Assumptions AdaptiveMobile Security	
	2022	2021	2022	2021	2022	2021
Revenue growth	-2%	-2%	5%	5%	5%	N/A
Cost trend	2%	2%	3%	3%	2%	N/A
Discount rate	10.5%	9%	10.5%	9%	10.5%	N/A
Long-term stable growth	3%	3%	3%	3%	3%	N/A

Note 11 Equipment, Tools, Fixtures and Fittings

	Group		Parent company	
	2022	2021	2022	2021
Accumulated cost				
At beginning of year	166,680	135,116	16,576	14,457
Acquistion in the year	7,669	13,331	1,342	2,306
Acquisition in the year via acquired operation	-	29,947	-	-
Sale in the year disposal of business	-6,295			
Sales/retirements	-5,931	-18,580	-952	-187
Transkation difference for the year	8,506	6,866	-	-
	170,630	**166,680**	**16,966**	**16,576**
Accumulated depreciation and impairment				
At beginning of year	-141,045	-113,865	-12,604	-11,477
Sales/retirements	5,994	18,563	651	187
Sales via divestment of business	5,681			
Depreciation and impairment for the year	-12,451	-11,327	-1,320	-1,314
Depreciation for the year via acquired operation	-	-28,616	-	-
Translation difference for the year	-7,276	-5,800	-	-
	-149,097	**-141,045**	**-13,273**	**-12,604**
Carrying amount at end of year	**21,533**	**25,635**	**3,693**	**3,972**

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 receivables are from customers with good solvency and payment history. Accounts receivables usually become due for payment within 30-90 days. Accounts receivables that are impaired are consistent with the provision for doubtful debt. A reserve is made when the company has taken measures to collect the receivable without success, and judges that the likelihood of the customer paying is low. The reserve for doubtful debt amounts to SEK 10.6 (10.1) million. The allowance for doubtful debt is recognized as a selling expense in the Income Statement. The fair value of accounts receivable corresponds to the carrying amount. Accounts receivables are predominantly denominated in SEK, EUR and USD. The age analysis of accounts receivables follows:

Age analysis of accounts receivables	2022	2021
GROUP		
Not due	204,408	161,566
Overdue 1-60 days	48,174	43,733
Overdue 61-90 days	3,932	6,535
Overdue 90 days	36,202	7,924
Text	**292,716**	**219,758**

Change in doubtful debt	2022	2021
GROUP		
Opening balance	10,094	5,310
Adjustment opening balance	-	2,635
Repayment	-1,000	-1,639
Write -off	-1,602	-1,051
Currency effect	1,195	-
Allowance for the year	1,957	4,839
Total	**10,644**	**10,094**

Note 13 Prepaid Expenses, Contract Assets and Accrued Income

	2022	2021
GROUP		
Prepaid insurance	1,480	1,215
Prepaid rent	3,026	2,058
Accrued income	176,836	158,811
Other prepaid expenses	23,155	19,986
	204,497	**182,070**

	2022	2021
PARENT COMPANY		
Prepaid insurance	451	-
Prepaid rent	1,212	1,089
Other prepaid expenses	8,793	6,268
	10,456	**7,357**

Contract Assets

The group reports the following revenue-related contract assets	2022	2021
Contract assets relating to fulfilled performance obligations, where entitlement to payment is conditional on factors other than time	175,029	120,317

Contract assets have not been subject to impairment, and accordingly, carrying amounts are recognized net.

Material Changes to Contract Assets

The group's contract assets have increased due to an increased number of on-going projects compared to previous year.

Note 14 Derivative Instruments

	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Long-term				
Currency forwards - cash flow hedges	-	661	534	-
Short-term				
Currency forwards - cash flow hedges	-	661	1,302	-

Note 15 Equity

Group

Share Capital

As of December 31, 2022, the registered share capital comprised 21,615,231 ordinary shares with a quotient value of SEK 1.13 per share and 243,000 C-shares. Holders of ordinary shares are entitled to dividends at amounts specified in arrears, and shareholdings carry voting rights at Annual General Meetings of one vote per share. In the year, the company purchased 243,000 C-shares (91,812 treasury shares) and granted employees 117,548 (48,000) treasury shares when settling LTIP 19 (LTIP 18).

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	2022	2021
Opening number of shares	21,615,231	21,615,231
New share issue	243,000	-
Closing number of shares	**21,858,231**	**21,615,231**

Hedging reserve	2022	2021
Opening hedging reserve	851	3,411
Cash flow hedges:		
- fair value gains/losses in the year	-2,497	-3,357
- tax on fair value adjustments	514	692
- transfers to profit or loss	997	133
- tax on transfers to profit or loss	-205	-27
Closing hedging reserve	**-340**	**851**

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.

	2022	2021
Opening translation reserve	74,206	-34,121
Translation difference for the year	279,350	108,327
Closing translation reserve	**353,556**	**74,206**

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, 2022, was 255,952. The shares are held as treasury shares and were fully paid up on December 31, 2022.

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 16 Earnings per Share

	2022	2021
Earnings per share before dilution		
Profit for the year after tax	224,810	200,263
Average number of shares, 000	21,559	21,540
Earnings per share before dilution, SEK	10.43	9.30
Earnings per share after dilution		
Profit for the year after tax	224,810	200,263
Average number of shares, 000	21,559	21,540
Earnings per share after dilution, SEK	10.43	9.30
Earnings per share before dilution continued operations		
Profit for the year after tax continued operations	108,953	185,480
Average number of shares, 000	21,559	21,540
Earnings per share before dilution, SEK	5.05	8.61
Earnings per share after dilution continued operations		
Profit for the year after tax continued operations	108,953	185,480
Average number of shares, 000	21,559	21,540
Earnings per share after dilution, SEK	5.05	8.61

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 17 Accrued Expenses, Contract Liabilities, Deferred Income and Performance Obligations

	2022	2021
GROUP		
Deferred support income*	96,015	112,674
Accrued staff costs	90,725	92,509
Other deferred income*	35,163	35,782
Other	26,473	31,398
	248,376	**272,363**

	2022	2021
PARENT COMPANY		
Accrued staff costs	7,493	16,449
Other	5,757	4,295
	13,250	**20,744**

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	2022	2021
Contract liabilities relating to unfulfilled performance obligations	124,925	140,768

Opening contract liabilities recognized as revenue in the year	2022	2021
GROUP	139,760	106,690

Revenue from performance obligations satisfied in previous periods	2022	2021
GROUP	18,143	46,286

Unfulfilled long-term performance obligations*	2022	2021
GROUP	693,403	554,084

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

Management expects that 59 percent of the transaction price that has been allocated to unfulfilled agreements as of December 31, 2022, will be recognized as revenue in the following financial year (SEK 410,740,000). The remaining 41 percent will be recognized in the years 2024-2028.

Note 18 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	100
Enea GmbH	Germany	100
Enea KK	Japan	100
Enea Polyhedra Ltd	UK	100
Enea Software SRL	Romania	100
Qosmos SA	France	100
Openwave Mobility Inc	USA	100
AdaptiveMobile Security Ltd	Ireland	100
Enea Software GmbH	Austria	100
Enea Software d.o.o.	Croatia	100

	2022	2021
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 2022**	**Carrying amount 2021**
Subsidiaries				
Enea Software AB, 556183-3012, Kista	5,900	100	208,616	208,616
			208,616	**208,616**

Note 19 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	**2022**	**2021**	**2022**	**2021**
Cash and bank balances	231,302	211,370	64	33
Total	**231,302**	**211,370**	**64**	**33**

	Group		Parent company	
Disclosures on interest	**2022**	**2021**	**2022**	**2021**
Interest income in the period amounted to	4,690	864	17,520	10,181
Interest paid in the period amounted to	-18,721	-11,491	-20,751	-10,232

	Group		Parent company	
Adjustment for non-cash items	**2022**	**2021**	**2022**	**2021**
Depreciation/amortization and impairment	175,425	159,058	1,628	1,585
Profit/loss sale from disposal of subsidiaries	-116,840		-	-
Profit/loss sale from disposal of fixed assets	124	17	301	-
Share saving program	6,343	3,155	6,343	3,155
Appropriations	-	-	-55,925	-30,536
Changes in pension lliability	1,700	2,027	-	-
Provisions	2,328	-1,299	-	-
Forgiven loan	-	-4,821	-	-
Interst not paid	548	-	548	-
Exchange differences	-314	124	-	-
Total	**69,314**	**158,261**	**-47,105**	**-25,796**

Note 20 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 18).

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	2022	37,845	25,915	52,605	1,230,844
Subsidiaries	2021	51,433	19,445	38,169	1,416,543

Note 21 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 2022 amounts to SEK 4,717,000 (4,670,000). The cost for 2023 is estimated at the corresponding amount. Alecta's surplus can be distributed to policyholders and/or the insured. At the end of 2022 Alecta's surplus in the form of its collective consolidation ratio amounted to 172 (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.	
	2022	2021	2022	2021
Costs for defined-contribution plans	20,264	18,945	5,279	4,267
Costs for defined-benefit plans	1,169	1,213	-	-

Share-based payment

LTIP 2019

In May 2019, 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 2019 is also expected to facilitate the recruitment and retention of management and other key individuals. LTIP 2019 involves some 25 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 for the financial years 2019-2021. The maximum value conferring full entitlement is Enea's accumulated earnings per share in 2019-2021 being a minimum of SEK 29.27. The minimum level for granting is that accumulated earnings per share are a minimum of SEK 24.26 in 2019-2021. 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 2019, 2020 and 2021 are computed separately, with a maximum of 1/4 of full granting available based on growth of earnings per share for each year. 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 551. 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. The fair value of services rendered is based on the share price of the shares expected to be granted. The incentive program entails financial exposure for the company as a result of fluctuations in Enea's share price and the anticipated allocation of shares. To secure the Program, a decision was made to transfer already acquired treasury shares under the Program. The number of shares that can be transferred to participants under the Program, free of charge, has been capped at 438,000, including compensation relating to extraordinary dividends. LTIP 2019 was finally settled in May 2022 with a degree of fulfillment of 32.6% and an allocation of 117,548 shares.

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 2018	2022	2021
Opening no. of warrants allocated	-	48,000
Forfeited in the period	-	-
Allocated in the period	-	-48,000
Outstanding at end of period	-	-
Number of participants, Dec 31	-	-

LTIP 2019	2022	2021
Opening no. of warrants allocated	366,000	402,000
Forfeited in the period	-248,452	-36,000
Allocated in the period	-117,548	-
Outstanding at end of period	-	366,000
Number of participants, Dec 31	-	22

LTIP 2021	2022	2021
Opening no. of warrants allocated	231,000	-
Forfeited in the period	-60,000	-
Allocated in the period	8,000	231,000
Outstanding at end of period	179,000	231,000
Number of participants, Dec 31	24	30

Note 22 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	2022	2021	2022	2021
EUR	11.1283	10.2269	10.6317	10.1449
USD	10.4371	9.0437	10.1245	8.5815
GBP	12.5811	12.1790	12.4669	11.8022
JPY	0.0792	0.0785	0.0771	0.0781
RON	2.2495	2.0665	2.1560	2.0619
SGD	7.7748	6.6806	7.3368	6.3842
INR	0.1262	0.1216	0.1287	0.1160
MXN	0.5353	0.4390	0.5036	0.4229
CAD	7.7060	7.0636	7.7712	6.8453
HRK	1.4764	1.3597	1.4066	1.3462
MYR	2.3658	2.1643	2.2974	2.0701
NOK	1.0572	1.0254	1.0523	0.9980

When translating foreign subsidiaries' balance sheets to Swedish kronor, the group is exposed to exchange rate fluctuations. The effect on equity in 2022 for the translation of foreign subsidiaries' accounts to Swedish kronor was SEK 279,350,000 (108,327,000). The group's exposure in equity for exchange rate fluctuations on the reporting date was as follows:

	2022		2021	
Currency	Amount	Translated to SEK at closing day rate	Amount	Translated to SEK at closing day rate
EUR	50,447	561,389	39,105	399,923
USD	28,575	298,240	23,408	211,695
GBP	14,177	178,362	13,469	164,039
JPY	85,725	6,787	78,964	6,200
RON	613	1,379	14,492	29,948
SGD	316	2,457	293	1,957
INR	75,833	9,568	36,726	4,465
MXN	646	346	646	284
CAD	276	2,127	276	1,950
HRK	5,395	7,965	3,536	4,808
MYR	-4,582	-10,840	-4,846	-10,488
NOK	178	188	215	220

Note 23 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, 2022. 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, 2022.

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 24 Maturity Analysis, Financial Liabilities and Interest

Financial liabilities	Group		Parent company	
Long-term liabilties, interest-bearing	**2022**	**2021**	**2022**	**2021**
Liabilities to credit institutions	545,132	469,829	545,132	469,829
Total long-term liabilities, interest-bearing	**545,132**	**469,829**	**545,132**	**469,829**
Current liabilities, interest-bearing	**2022**	**2021**	**2022**	**2021**
Liabilities to credit institutions	6,622	268,832	6,622	267,293
Total current liabilities, interest-bearing	**6,622**	**268,832**	**6,622**	**267,293**
Current liabilities, non-interest-bearing	**2022**	**2021**	**2022**	**2021**
Accounts payable	21,552	24,552	7,641	6,929
Other liabilities	23,456	33,040	1,370	1,195
Accrued expenses, supplier related	15,548	16,348	5,757	4,295
Total current liabilites, non-interest-bearing	**60,556**	**73,940**	**14,768**	**12,419**
Total financial liabilities	**612,310**	**812,601**	**566,522**	**749,541**

Maturity analysis	Group		Parent company	
Long- and short-term interest-bearing liabilities	**2022**	**2021**	**2022**	**2021**
Within 1 year of reporting date	36,622	268,832	36,622	267,293
More than 1 year, but within 3 years of reporting date	515,132	469,829	515,132	469,829
More than 3 years, but within 5 years of reporting date	-	-	-	-

	Group		Parent company	
Interest	**2022**	**2021**	**2022**	**2021**
Within 1 year of reporting date	20,090	8,414	20,090	8,414
More than 1 year, but within 3 years of reporting date	26,645	3,509	26,645	3,509
More than 3 years, but within 5 years of reporting date	-	-	-	-

Non-interest-bearing liabilities	Group		Parent company	
	2022	2021	2022	2021
Within 1 year of reporting date	60,556	73,940	14,768	12,419
More than 1 year, but within 3 years of reporting date	-	-	-	-
More than 3 years, but within 5 years of reporting date	-	-	-	-

Total liability and interest	Group		Parent company	
	2022	2021	2022	2021
Within 1 year of reporting date	117,268	351,186	71,480	288,126
More than 1 year, but within 3 years of reporting date	541,777	473,338	541,777	473,338
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 25 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 9.1 (12.9) million as of December 31, 2022. Costs for defined-benefit pensions totaled SEK 1,169,000 (1,213,000), of which SEK 1,169,000 (1,213,000) was charged to Enea's profit. The costs for 2023 are estimated at approx. EUR 100,000.

2022	Defined benefit pension plans
GROUP	
Accumulated cost	
Opening balance, Jan 1, 2022	12,856
Value change/currency translation	-3,760
Closing balance, Dec 31, 2022	**9,096**

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

Defined benefit obligations	Group	
	2022	2021
Present value of unfunded defined benefit obligations	9,096	12,856
Total liability, unfunded obligations	**9,096**	**12,856**

Actuarial assumptions, %	Group	
	2022	2021
Discount rate	3.88	1.17
Future salary increase	-	-

Note 26 Proposed Appropriation of Profits

	2022
Parent company	
Share premium reserve	562,748,745
Retained earnings	251,400,950
Profit/loss for the year	-5,904,023
Total	**808,245,672**

The Board of Directors is proposing that these funds are appropriated so that SEK 808 245 672 is carried forward.

Note 27 Pledged Assets and Contingent Liabilities

	2022	2021
GROUP		
Claim for damage	17,179	14,886
Other exposure	33,735	25,525
Rent deposits	2,123	2,720
	53,038	**43,131**

Note 28 Business Combinations

Disposal of Software Development Services

On April 7th Enea announced the divestment of Software Development Services to AROBS Transilvania Softtware (AROBS). The transaction was closed on June 8th. The disposed business was valued at EUR 17.9 million (enterprise value) on debt- and cash free basis, including normalized working capital. The business is reported as discontinued operations and the financial effects are shown below.

SEK 000	2022	2021
Total revenue	58,895	112,865
Cost of goods and services sold	-41,400	-78,383
Gross profit	17,495	34,482
Operating expenses	-7,368	-16,317
Operating profit	10,127	18,165
Profit before tax	10,373	18,669
Tax	-1,186	-3,885
Profit from discontinued operations net after tax	9,187	14,784
Profit from sale of operations	106,670	
Profit from discontinued operations	**115,857**	**14,784**
Exchange rate differences from translation of discontinued operations	13,874	
Other comprehensive income from discontinued operations	**13,874**	
Purchase price (cash)	186,520	
Net assets	55,812	
Profit before reclassification of currency translation reserve	130,708	
Reclassification of currency translation reserve	-13,874	
Transaction costs	-10,164	
Profit from sale of operations	**106,670**	
Assets and liabilities at date of investment		
Goodwill	29,057	
Tangible assets	885	
Operating assets	36,558	
Total assets	**66,500**	
Operating liabilities	10,688	
Net assets	**55,812**	

Cash flow	2022	2021
Cash flow from operating activities	-763	25,215
Cash flow from investment activities	173,076	-404
Cash flow from financing activities	-1,220	-2,749
Total cash flow from discontinued operations	**171,093**	**22,062**

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 4, 2023.

Stockholm, Sweden April 5, 2023

Enea AB (556209-7146)

Anders Lidbeck

Chairman of the Board

Kjell Duveblad

Board member

Jan Frykhammar

Board member

Mats Lindoff

Board member

Åsa Schwarz

Board member

Charlotta Sund

Board member

Jenny Andersson

Employee representative

Jan Häglund

President and CEO

Our Audit Report was presented on April 6, 2023

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg

Authorized Public Accountant

Audit Report

To the Annual General Meeting of Enea AB (publ.), corp. ID no. 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 2022 except for the corporate governance statement on pages 48-57 and sustainability report on pages 30-43. The annual accounts and consolidated accounts of the company are included on pages 24-102 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, 2022 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, 2022 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 48-57 and sustainability report on pages 30-43. 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 2022.

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 2,457 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 74 and note 10 in the Annual Report for 2022.

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 2022.
- 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 103-114 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 2022 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 2022.

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 48-57 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 30-43 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 5, 2022 and has been the company's auditor since May 15, 2007.

Stockholm, Sweden, April 6, 2023

Öhrlings PricewaterhouseCoopers AB

Nicklas Kullberg
Authorized Public Accountant

Five Year summary

SEK m	2022	2021	2020	2019	2018
INCOME STATEMENT					
Net sales	927.7	863.2	780.6	846.2	679.3
Other operating revenue	37.1	24.3	13.7	17.1	17.5
Operating expenses	-846.6	-689.7	-620.9	-615.4	-510.5
Operating profit	118.1	197.8	173.4	247.9	186.3
Net financial income/expense	-17.2	4.7	-24.1	-52.0	-28.1
Profit before tax	101.0	202.5	149.4	195.9	158.2
Profit for the period	109.0	185.5	129.8	164.9	140.2
	115.9	14.8	12.5	4.8	1.4
Total	**224.8**	**200.3**	**142.3**	**169.7**	**141.7**
BALANCE SHEET					
Intangible assets	2,493.7	2,313.4	1,734.5	1,672.3	1,381.4
Other intangible assets	43.9	50.3	40.7	27.6	33.7
Other financial fixed assets	3.6	4.3	6.1	3.4	3.1
Financial assets held for sale, non-current	-	-	-	-	-
Current receivables	545.4	454.0	357.5	364.3	426.8
Financial assets held for sale, current	-	-	-	-	-
Cash and cash equivalents	231.3	211.4	195.1	146.1	74.7
Total assets	**3,318.0**	**3,033.3**	**2,334.0**	**2,213.8**	**1,919.7**
Shareholders' equity	2,291.2	1,776.0	1,487.5	1,481.3	985.8
Long-term liabilities, interest-bearing	545.1	469.8	291.7	263.0	539.8
Long-term liabilities, non-interest-bearing	161.3	169.3	141.0	119.6	86.8
Current liabilities, interest-bearing	6.6	268.8	142.2	99.1	94.3
Current liabilities, non-interest-bearing	313.8	349.3	271.7	250.8	212.9
Total equity and liabilities	**3,318.0**	**3,033.3**	**2,334.0**	**2,213.8**	**1,919.7**
CASH FLOW					
Cash flow from operating activities	167.2	333.7	274.2	245.2	168.6
Cash flow from investing activities	-138.8	-138.4	-130.9	-90.9	30.5
	173.2	-	-	-	-
Cash flow from investing activities-acquisition of operation	-	-379.4	-90.5	-47.1	-954.4
Cash flow from financing activities	-205.9	191.5	8.9	-35.9	514.2
Cash flow for the period	**-4.2**	**7.5**	**61.6**	**71.2**	**-241.1**
KEY FIGURES					
Net sales growth, %	7	11	-8	25	50
Operating margin, %	12.7	22.9	22.2	29.3	27.4
Profit margin, %	10.9	23.5	19.1	23.1	23.3
Return on capital employed, %	11.1	13.2	10.4	15.2	16.7
Return on equity, %	14.7	12.3	9.6	13.8	16.3
Return on total capital, %	12.6	11.1	8.8	12.9	13.6
Interest coverage ratio, 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	292.8	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	82.66	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

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 2022 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	
	2022	**2021**
Net sales, SEK m	927.7	863.2
Net sales growth, SEK m	64.5	82.6
Net sales growth, %	7	11
Currency effect, unchanged exchange rates previous year, %	59.9	-30.2
Currency effect, unchanged exchange rates previous year, SEK m	7	-4
Net sales growth, unchanged exchange rate previous year, SEK m	4.6	112.8
Net sales growth, unchanged exchange rate previous year, %	1	14

Reconciliation of Financial Net

	Full year	
	2022	**2021**
Financial income	282.0	99.6
Financial expense	-299.1	-94.9
Reported financial net, SEK m	**-17.2**	**4.7**

Annual General Meeting 2023

The shareholders of Enea AB have been invited to the AGM on May 4, 2023, at 4:30 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 25, 2023, and notify attendance to Ena AB no later than April 27, 2023, 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 27, 2022, which means that shareholders who wants such voting rights must notify the trustee of their request well in advance before this date.

Financial Calender

2023-04-27:	Publication of Interim Report for January–March 2023
2023-05-04:	AGM 2023
2023-07-18:	Publication of Interim Report for April–June 2023
2023-10-26:	Publication of Interim Report for July–September 2023
2024-02-01:	Publication of Annual Statement for 2023

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.

ENEA

Information for customers, shareholders, and investors is available on Enea's website. Blog posts, news articles, interviews, and webinars offer more in-depth information on various topics.

www.enea.com

LinkedIn

Information on Enea's product portfolio and solutions, as well as new contracts and business highlights are reported on Enea's LinkedIn account. This is also a recruitment channel.

www.linkedin.com/company/enea-software-ab

twitter

Enea's Twitter account maintains a continuous stream of updates on press releases, blog posts and other activities. This is an excellent channel for stakeholders that want to keep up to date with Enea's newsflow.

www.twitter.com/EneaAB

YouTube

Interviews with industry analysts and Enea experts are published on Enea's YouTube channel. Recordings of training, webinars and product demos are also uploaded.

www.youtube.com/Enea-Software

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 2021.

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, 44-46 and 60-102.

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.

About Enea

How is it that Enea, a company with only 550 employees, has managed to become a world-leading specialist in software for key areas in telecom, cybersecurity, and enterprise networks?

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.

Leading Market Positions

Real-time operating systems

Embedded traffic intelligence

Connectivity management on large-scale Wi-Fi networks

Managing mobile video traffic

Mobile network security

Historical Milestones

1983	1988	1998	2006	2016	2019
Enea receives Sweden's first email.	Enea creates the first real-time operating system for mobile networks.	Enea develops the first mobile version of HTML.	Enea launches the first commercial application of embedded traffic intelligence.	Enea provides the first solution for optimizing en-crypted video traffic.	Enea launches one of the first cloud-native solutions for data management in 5G networks.

112. ENEA WORLDWIDE

We are a global company with headquarters in Stockholm and customers in many countries around the world. To facilitate the dialogue with customers and capture new market requirements, we also have development centers and sales offices at strategically selected locations in different regions.

In total, approximately 550 people work at the company.

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	●	
"	United Kingdom	London		●
"	Sweden	Stockholm	●	●
"	Czech 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		●

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www.enea.com