



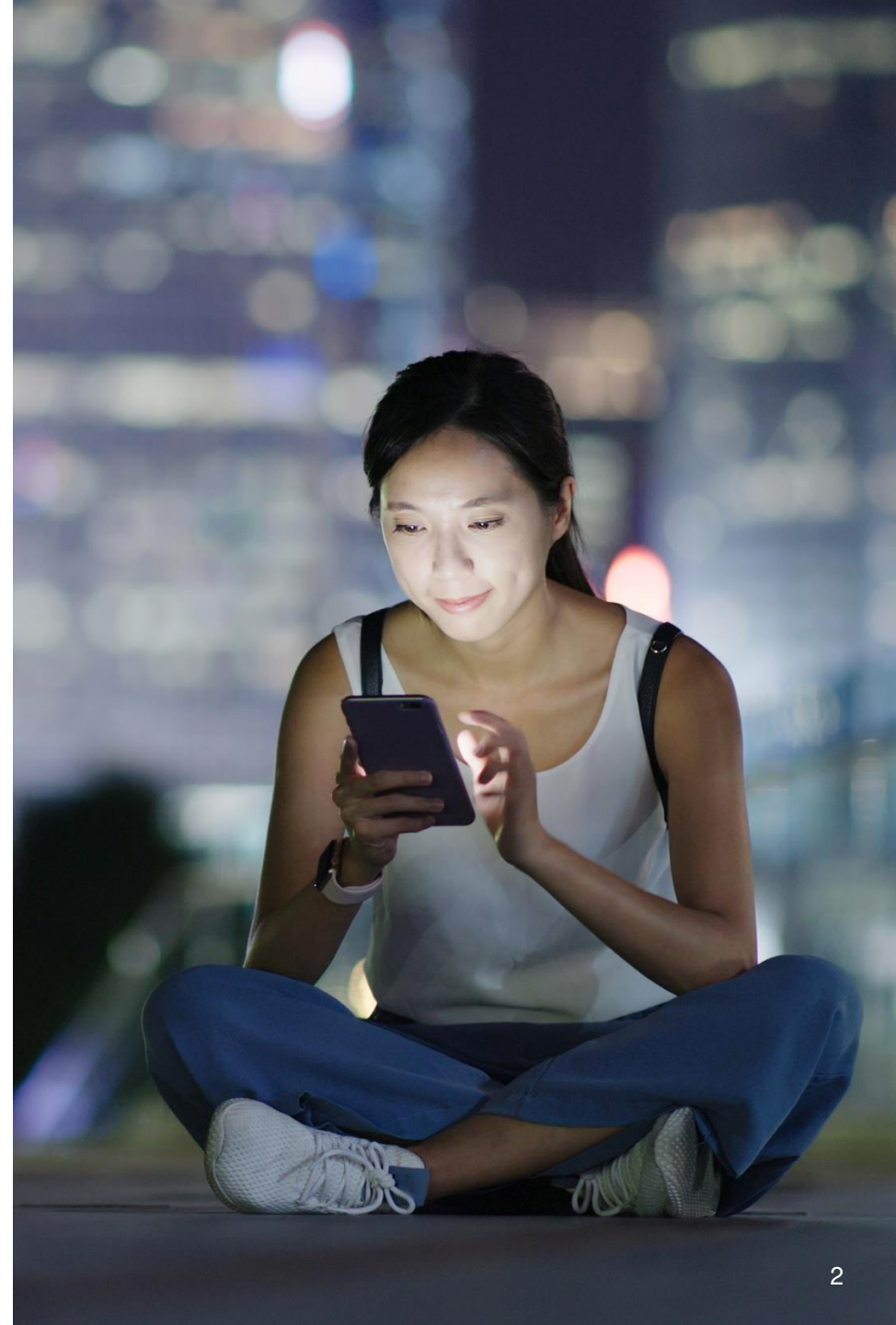
Interim Report January - March 2023

Jan Häglund, President and CEO
Ola Burmark, CFO

April 27, 2023

Agenda

- ▶ **Summary and Key Events**
- ▶ **Financial Results**
- ▶ **Way Forward and Outlook**



Summary of Q1 2023

January - March

HEAD QUARTER KISTA, SWEDEN	NET SALES 248 SEK m	EBITDA MARGIN ^{2/} 38 PERCENT	NET DEBT 263 SEK m
LISTED NASDAQ STOCKHOLM (MID CAP)	EARNINGS PER SHARE 0.47 SEK	OPERATING CASH FLOW 97.5 SEK m	R&D ^{1/} 26 PERCENT

^{1/} (OPEX less D&A plus Capitalized R&D)/(Net Sales)

^{2/} (EBITDA excl NRI)/(Net Sales)

Developments in the Quarter

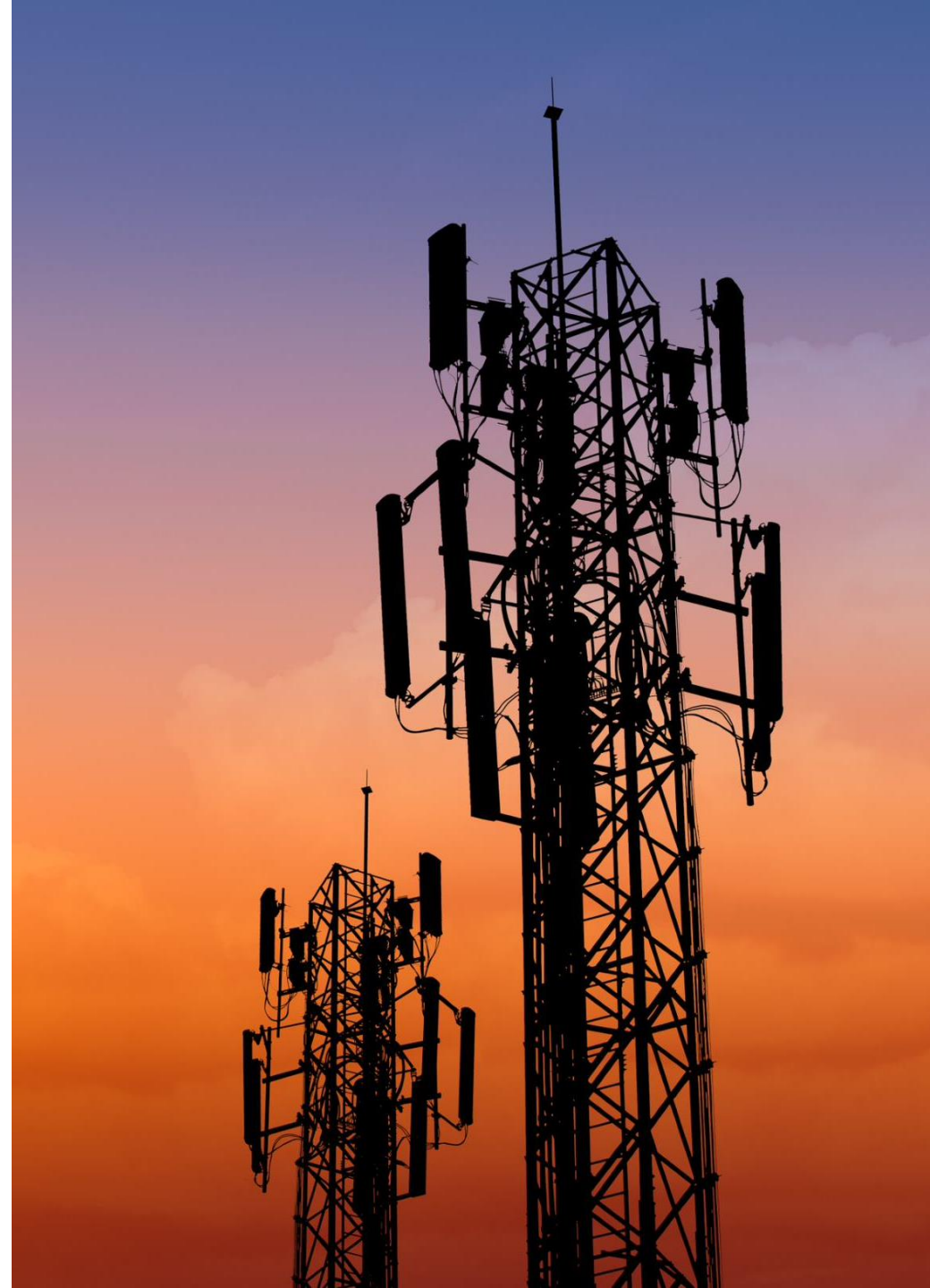
- ▶ Multi-year contracts signed with both key customers for legacy operating system (OSE), providing predictable recurring revenue as this business declines.
- ▶ In April, Enea announced that the multi-year contract for 5G Cloud Network Data Layer, signed in June 2020 with a leading European telecom operator, may be terminated by the customer before final delivery has taken place.
- ▶ The Mobile World Congress (MWC) returned to strong pre-pandemic levels of customer and industry engagement.
- ▶ Security continues to grow in focus with governments and industry. Enea presented the keynote at the inaugural SEC-Con summit at MWC.
- ▶ Microsoft launched their Nexus (Azure for operators) Partner Program alongside AT&T at the MWC show. Enea was announced among the first vendors in the program, with the Network Data Layer product.



Two Major OSE Contracts Provide Multi-year Predictable Revenues

Contracts with both key customers for legacy operating system (OSE) were signed in the quarter, replacing agreements that expired in December 2022.

- ▶ In January, 60 MSEK support agreement with guaranteed 20 MSEK revenue per year. Replaces annual agreement last valued at 25 MSEK in 2022.
- ▶ In March, an agreement was signed for perpetual license, support and maintenance valued at 6.6 MEUR over 3 years. License revenues of 4.8 MEUR are booked in the first quarter of 2023. Service revenues of 1.8 MEUR will be recognized during a three-year period.



Challenges in the Telecom Market

- ▶ The Telecom market remains challenging. Our network solutions business, as a whole, has not developed as expected over the past two years.
- ▶ Lack of revenue growth for operators has delayed investment in 5G systems. Operators continuing with old systems and traditional suppliers, makes it harder for companies like Enea to break in.
- ▶ During the second quarter, we will carry out a strategic review of our telecom business to assess the market development and the potential of our investments. We will prioritize growth areas and take the necessary steps to secure profitability.

The image shows the text '5G' in a large, white, sans-serif font. The '5' and 'G' are positioned over a dark blue, glowing horizon of the Earth, suggesting a global or futuristic theme. The background is a deep black space with a few faint stars.

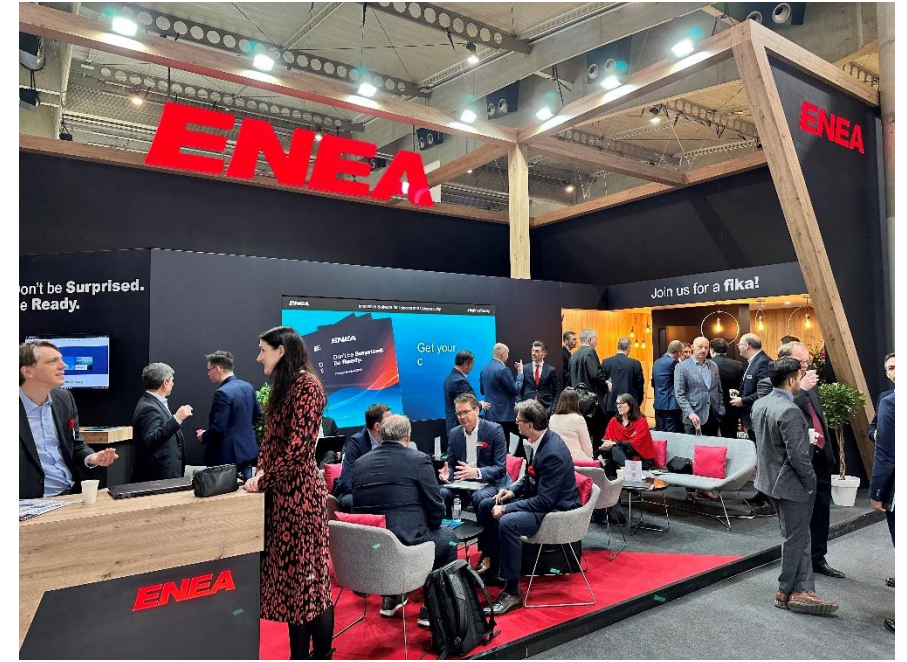
Enea Profiled at ~90K Visitor Strong Congress

Mobile World Congress key industry themes included –

1. Cloud hyperscaler platforms and partnerships.
2. Open APIs to drive 5G monetization
3. Energy efficiency
4. AI and automation
5. Security

Enea's presence

- ▶ Profiled in major Microsoft cloud platform announcement
- ▶ New product launch – Enea Policy Manager
- ▶ 100+ customer meetings
- ▶ Finalist in 2 security awards – GLOMO and MEFFY
- ▶ Strong coverage in priority trade media (>72 articles)



Enea Among First in Microsoft's Nexus Partner Program

- ▶ Microsoft dominated news at MWC with the announcement for their cloud platform for operators. The launch was endorsed at the event by AT&T.
- ▶ Microsoft's Nexus Partner Program provides a validation environment to pre-certify vendors in the Azure for operator environment, to support operators that seek best of breed networks.
- ▶ Enea was announced as one of the first partners to join the program.
- ▶ Enea software is cloud native and vendor agnostic, designed to be easily deployed in any cloud environments that operators may choose.

Operator Nexus partner ecosystem

System Integrators	Network Function Partners
accenture	ERICSSON
amdocs	NOKIA
Capgemini	amdocs
DELL Technologies	ENEAA
Hewlett Packard Enterprise	COMTECH
NEC	JUNIPER NETWORKS
TECH mahindra	MAVENIR
	Microsoft
	ospirent

Heightened Security Focus with Enea in Spotlight

Increased government policy, regulatory and industry focus.

- ▶ Inaugural "SEC-Con" at Mobile World Congress, Enea keynote speaker addressed audience comprising industry, security agencies and policymakers.
- ▶ Invited to present at EU parliamentary PEGA inquiry into use of Spyware.
- ▶ Contributed to Australian 2030 Cybersecurity Strategy consultation.
- ▶ 4 speaking spots at Mobile Ecosystem Forum messaging security events in Barcelona and Miami.
- ▶ Won 3 Cybersecurity Excellence awards.

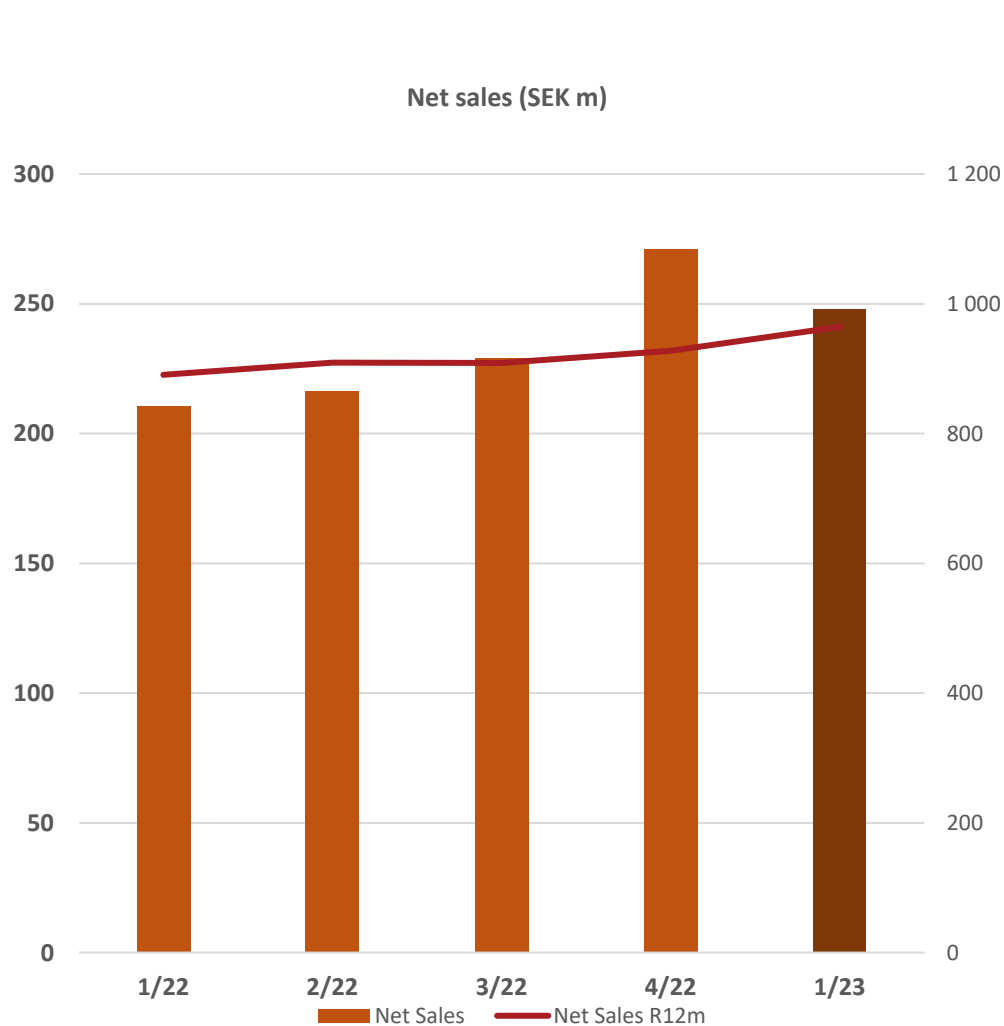


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Net sales increase by 13% (currency adjusted)

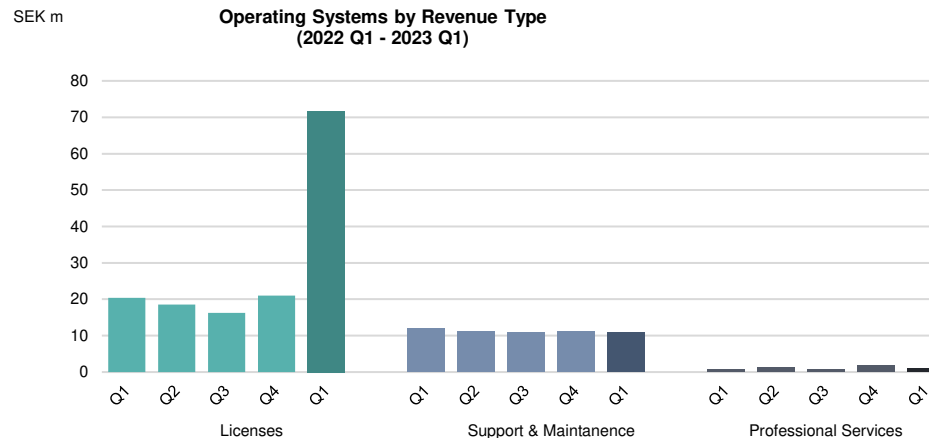
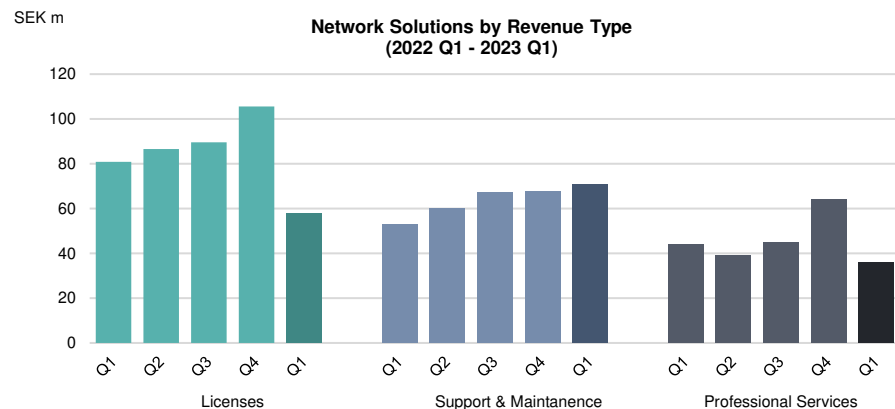


	2023 Q1	2022 Q1
Net Sales	248	211
Growth (%) ^{1/}	18%	15%
Growth (% , currency adjusted)	13%	7%
Total Revenues	254	217
FX impact vs last year	+9.5	

^{1/} Acquired growth Full Year 2022 amounted to SEK 78m (163)

- 13% increase vs 2022-Q1 in fixed currencies
- 18% increase vs 2022-Q1 in floating currencies
- Currency Adjusted organic growth of 13% in the first quarter
 - Network Solutions -13%
 - Operating Systems +152%
- Growth in Operating Systems driven by new agreement with one of the company's key customers.
- Total Revenues of SEK 254m (217) include Other revenues of SEK 6.1m (6.1), all related to currency gains.

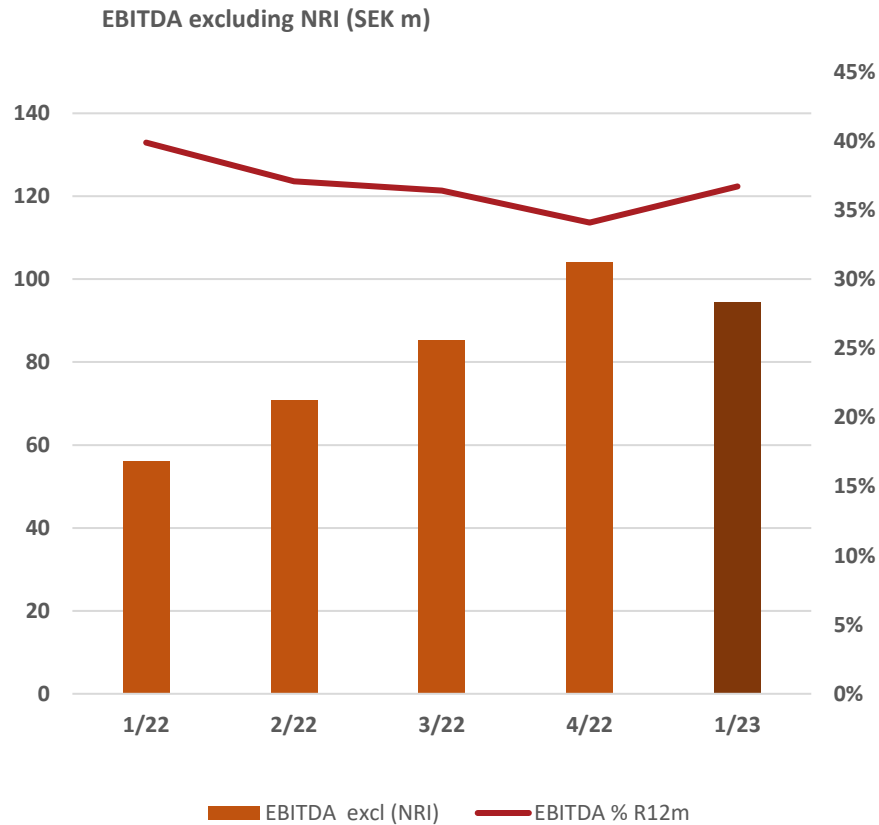
Revenues by Product Group



- ▶ Sales of the Network Solutions amounted to SEK 164.2 million (177.7) and decreased by 8 percent in the quarter, or by 13 percent currency adjusted organic growth was -13 percent.
 - License revenues of SEK 58m (81) or -28%
 - Support & Maintenance of SEK 71m (53) or +34%
 - Professional Services of SEK 36m (44) or -18%
- ▶ Network Solutions represented 66 percent (84) of total net sales in the quarter.

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

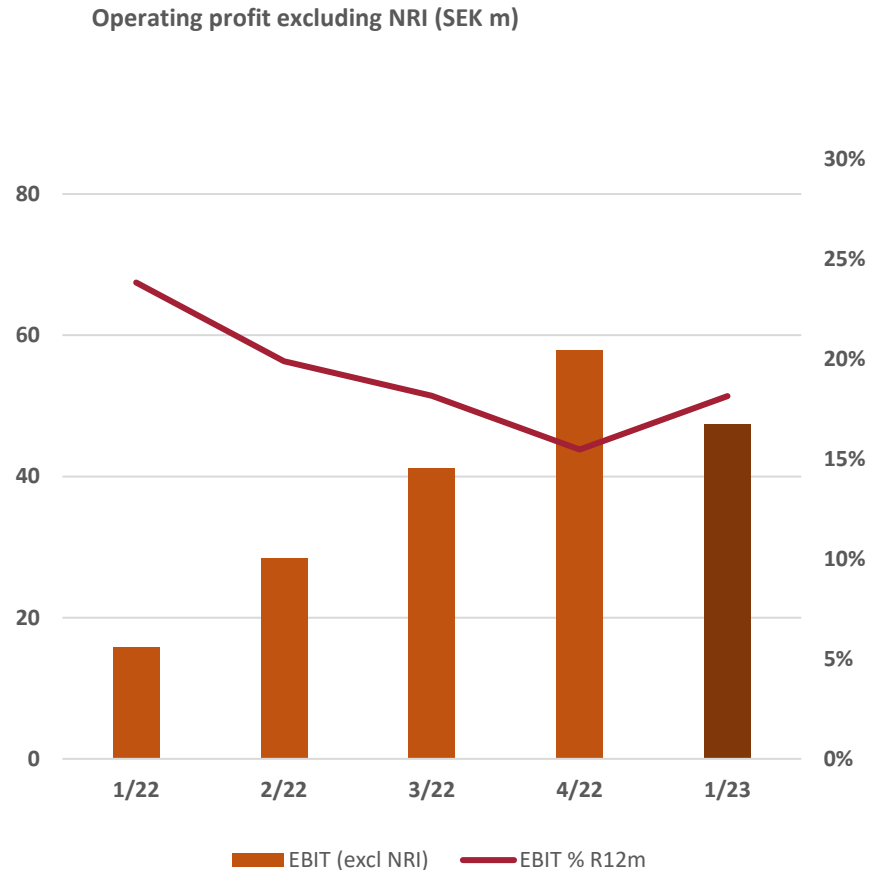
38 percent EBITDA margin in Q1



	2023 Q1	2022 Q1
EBITDA excl Non-Recurring Items, SEK m	94.4	56.1
EBITDA, SEK m	94.4	32.5
EBITDA margin excl. non-rec. items, %	38%	27%
EBITDA margin, %	38%	15%

- 38.1% (26.6%) EBITDA margin excl. NRI
- No new Non-Recurring Items in the quarter
- 80.0% in Gross margin (78.1%), positive impact of 3 percentage units by increased software revenues, such as licenses and support & maintenance
- Operational expenses of SEK 155.8m (153.6).
- Operating expenses, excluding D&A and costs for Share based incentive programs amounted to SEK 126.7m (122.6) and have been negatively impacted by unfavorable exchange rates of approx. SEK 9.2m

19 percent EBIT margin in Q1



	2023 Q1	2022 Q1
EBIT excl Non-Recurring Items, SEK m	47.4	14.6
EBIT, SEK m	47.4	-9.0
EBIT margin excl. non-rec. items, %	19%	7%
EBIT margin, %	19%	-4%
Earnings per share, SEK	0.47	-0.38
Earnings per share (Continued operations), SEK	0.47	-0.61

- EBIT excl Non-Rec Items of SEK 44.4m (14.6) or 19% (7%) EBIT margin
- EPS of 0.47 compared to -0.38 last year
- EPS for the continued operations of 0.47 compared to -0.61 last year

Positive Cash Flow reduces Interest bearing Debts

Cash flow generation

- Cash flow before changes in WC amounted to SEK 69.5m (39.2)
- Cash flow from operations amounted to SEK 97.5m (3.9)
- Cash flow from investment activities SEK -32.9m (-30.1)
- Cash flow from financing activities SEK -40.4m (-46.6)
- Net Cash flow for the quarter of SEK 24.2 (-72.5)

Financing structure

- Interest bearing bank loans amounted to SEK 521.0m (696.9)
- Cash and cash equivalents were SEK 258.1m (142.5)
- Net debt of SEK 262.9m (554.4m)
- Unutilized credit facilities of SEK 350m

Financial KPIs

- Equity ratio was 68.9 percent (59.6)
- Net debt to EBITDA was 0.74 (1.75)

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Enea's 7 Trends Anticipate the Key Themes of 2023

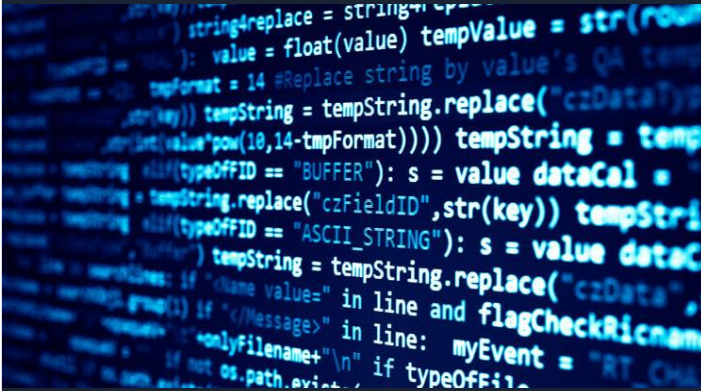
1. Signaling security becomes a national critical infrastructure concern.
2. IoT device behavior and threat surfaces prompt a rethink of core network architecture.
3. Energy consumption on agenda due to cost and climate.
4. Messaging scams and fraud threaten trust in SMS.
5. Wireless and wireline business will compete going forward.
6. Post hype IoT requires a new business discipline.
7. Data observability will further drive AI automation and the need to manage network data.

Read more: <https://www.enea.com/insights/signaling-security-energy-consumption-and-iot-monetization-will-shape-telecoms-thinking-in-2023/>



Our Strategy

Software Specialist



...cloud-native products in a world where competitors have proprietary platforms

Leading Positions



...in telecom software for mobile core, and security for mobile networks

Global Presence



...through direct and indirect market channels supported by distributed R&D

Wanted Position and Guidance Statement



Leading challenger for specialized cybersecurity and telecom software



Established with large customers, gaining market share through innovative solutions for open, cloud-based systems



Focused, faster and more agile, attracting the best talent

Our goal in the coming years is to generate double-digit growth in Network Solutions, an EBITDA margin over 35 percent, and strong cash flows. Over time, we also aim to make complementary acquisitions to further strengthen our market position.

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

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