



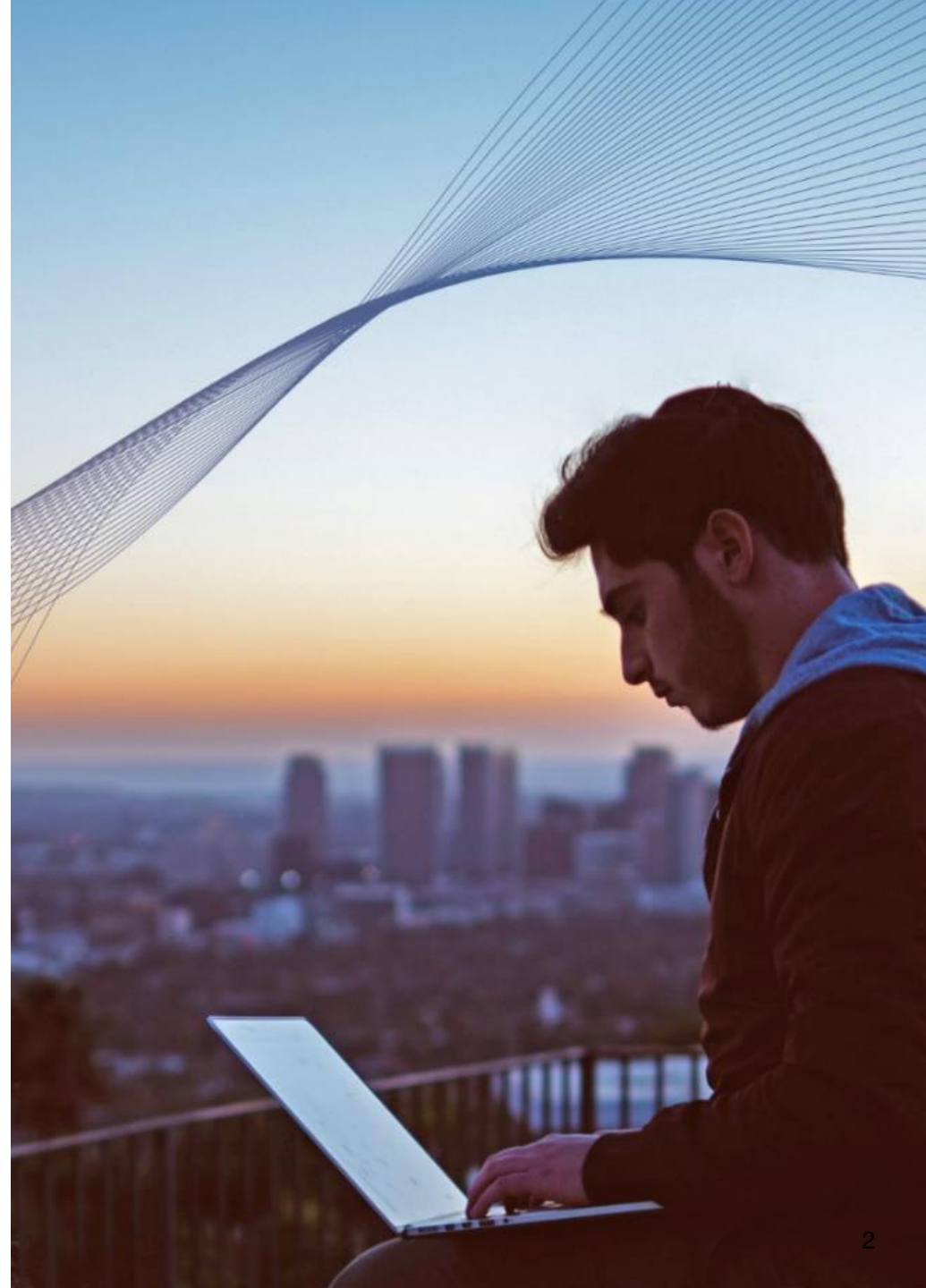
Interim Report January - June 2022

Jan Häglund, President and CEO
Ola Burmark, CFO

July 15, 2022

Agenda

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



Summary of Q2 2022

April - June 2022

January - June 2022

| | | | | | | |
|--|--|--|--------------------------------------|--|--|--------------------------------------|
| HEAD QUARTER KISTA, SWEDEN | NET SALES 217 SEK m | OPERATING MARGIN ^{2/} 13.1 PERCENT | NET DEBT 359 SEK m | NET SALES 427 SEK m | OPERATING MARGIN ^{2/} 10.1 PERCENT | NET DEBT 359 SEK m |
| LISTED NASDAQ STOCKHOLM (MID CAP) | EARNINGS PER SHARE 6.56 2.15 ^{3/} SEK | OPERATING CASH FLOW 73 SEK m | R&D ^{1/} 32.4 PERCENT | EARNINGS PER SHARE 6.19 1.54 ^{3/} SEK | OPERATING CASH FLOW 77 SEK m | R&D ^{1/} 33.3 PERCENT |

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

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

^{3/} (EPS continued operations)

Key Events in the Quarter

- ▶ Divestment of Software Development Services business completed
- ▶ Operators remain cautious with investments, affecting network solutions sales
- ▶ AdaptiveMobile Security accounted for the sales growth year-on-year
- ▶ Customer base remains stable with strong recurring revenue
- ▶ Financing initiatives and strengthened balance sheet provide resilience
- ▶ Major data management projects nearing commercial deployment with Tier-1 “digital telco” operators
- ▶ Major mobile network security deployment with Digicel covering 26 markets in the Caribbean and Central America



Full focus on Software Products for Telecom and Security

- ▶ Divestment of Software Development Services closed on June 8
- ▶ Enterprise value amounts to EUR 17.9 million
- ▶ Holdback of EUR 1.7 million to handle post-closing adjustments
- ▶ Contributed SEK 95 million to Net profit in the second quarter

Founded in 1968

Subcontractor to few vendors

IT Consultancy



Operating Systems



2016...

Direct and partner sales to CSPs and system vendors

Telecom



Cybersecurity



Research and development, organic growth, and strategic acquisitions


2016


2018

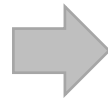

2019


2020


2021

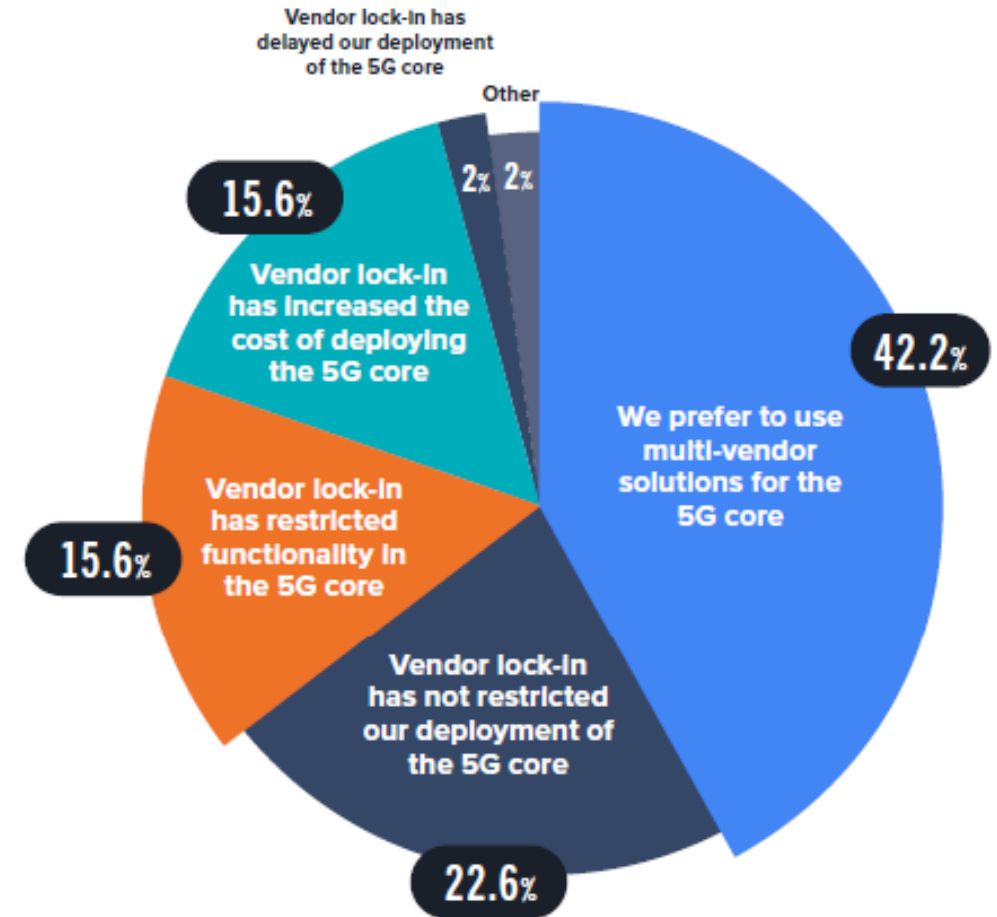
Market Share Gain in Mobile Network Security

- ▶ Digicel Group in 26 countries across the Caribbean and Central America
- ▶ Signaling security to protect networks from intrusion
- ▶ Five year contract for Software and Threat Intelligence Services
- ▶ Important Security reference in the Americas

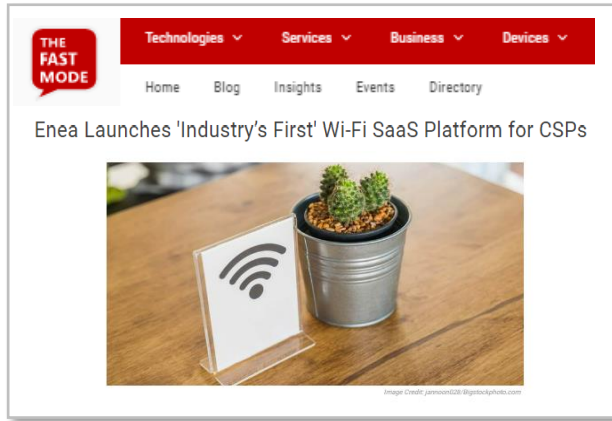


Innovative Data Management nears “go live”

- ▶ Important milestones were achieved during the quarter in beach-head projects with first mover Tier 1 telecom operators.
- ▶ Majority of telecom operators have “digital telco” ambition to take full advantage of 5G capabilities and to compete in a new cloud native landscape.
- ▶ Enea’s innovative approach challenges established suppliers and supports operators in their strategies to build systems from multiple software vendors with open interfaces, while retaining control of their data models.
- ▶ Leading telcos expected to pave the way in demonstrating commercial advantages.



Thought Leadership Shaping the Market



Launch: Industry's first complete Wi-Fi Software-as-a-Service (SaaS) service management solution



Report: The Real State of 5G Architecture



Launch: Dual-mode 5G Service Engine launch



Recognized as Tier-1 provider in the ROCCO Signaling Firewall vendor benchmarking report



Award: Enea Qosmos ixEngine® Wins Cloud Computing award



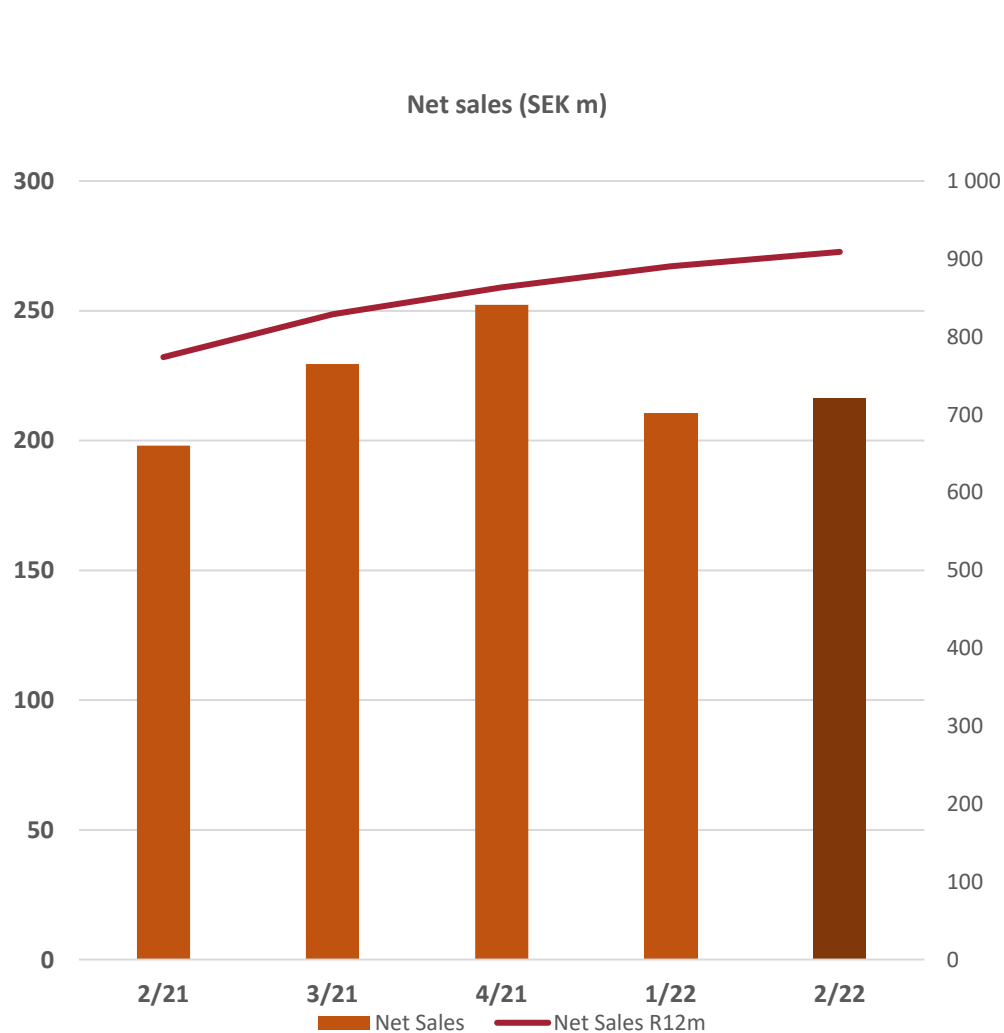
Analyst Whitepaper: Defending Telecoms Against Nation State Cyber Threats

Agenda

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



Net sales increased by 3% (currency adjusted)



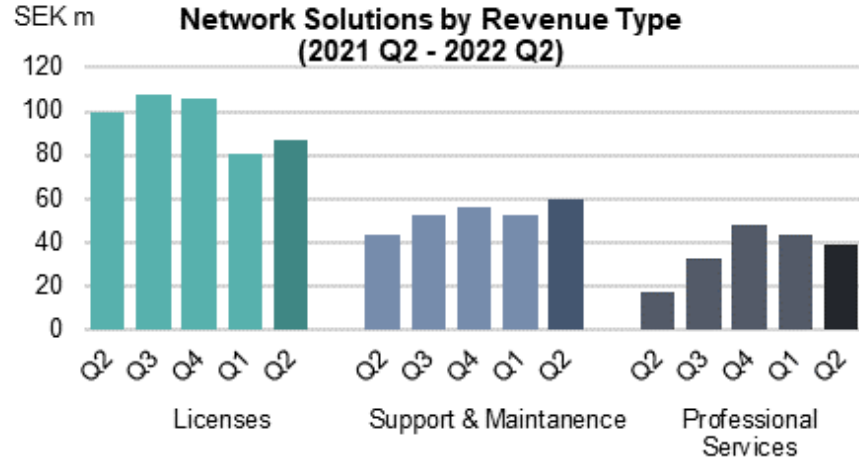
| | 2022 Q2 | 2021 Q2 | 2022 Jan-Jun | 2021 Jan-Jun |
|--------------------------------|---------|---------|--------------|--------------|
| Net Sales | 217 | 198 | 427 | 381 |
| Growth (%) ^{1/} | 9% | -3% | 12% | -2% |
| Growth (% , currency adjusted) | 3% | 4% | 6% | 5% |
| Total Revenues | 222 | 203 | 439 | 389 |
| FX impact vs last year | +13.6 | | +23.2 | |

^{1/} LY does not include AdaptiveMobile Security business (acquired July 2021), which contributed 44 SEKm in the quarter.

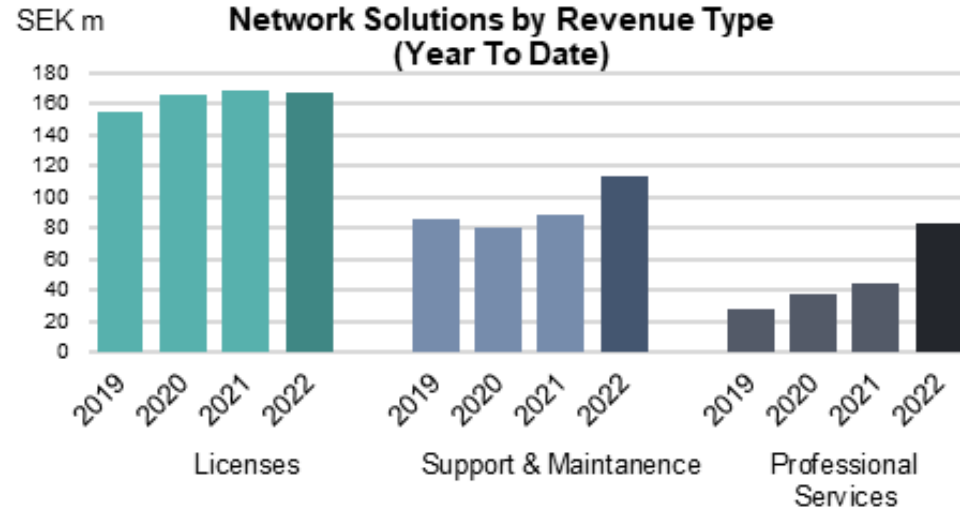
- 3% increase vs 2021-Q2, fixed currencies
- 9% increase vs 2021-Q2
- Currency adj Organic Growth -19%
- The increase is driven by the acquisition of AdaptiveMobile Security which contributed by SEK 44m to Net Sales in the second quarter
- Total Revenues of SEK 222m (203) include Other revenues of SEK 5.2m (5.3). SEK 3.9m in currency gains and SEK 1.3m in other revenues

Network Solutions

Revenue by Type



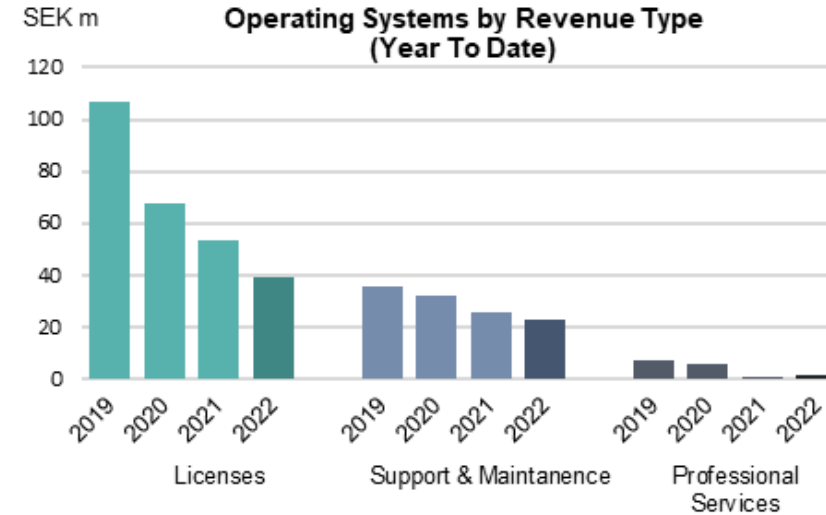
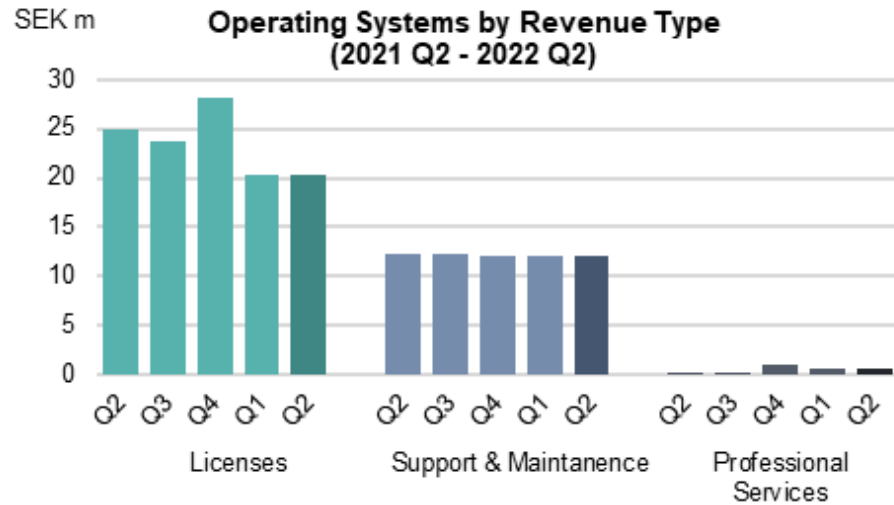
- ▶ **License revenues of SEK 87m (100) or -13%**
 - The decrease is mainly related to individual customers' investment decisions, which affects revenue from new license sales
 - Licence revenues of SEK 29m (9.0) have been recognized in the quarter related to achieved delivery milestones in data management projects for 4G and 5G core networks
- ▶ **Support & Maintenance of SEK 60m (44) or +38%**
 - Increased base of recurring revenue
- ▶ **Professional Services SEK 39m (17) or +127%**
 - Threat intelligence services in AdaptiveMobile Security added to the portfolio



- ▶ **License revenues of SEK 167m (169) or -1%**
 - Licence revenues of SEK 29m (18.3) have been recognized in the period related to achieved delivery milestones in data management projects for 4G and 5G core networks.
- ▶ **Support & Maintenance SEK 113m (89) or +27%**
- ▶ **Professional Services SEK 83m (45) or +85%**

Operating Systems

Revenue by type



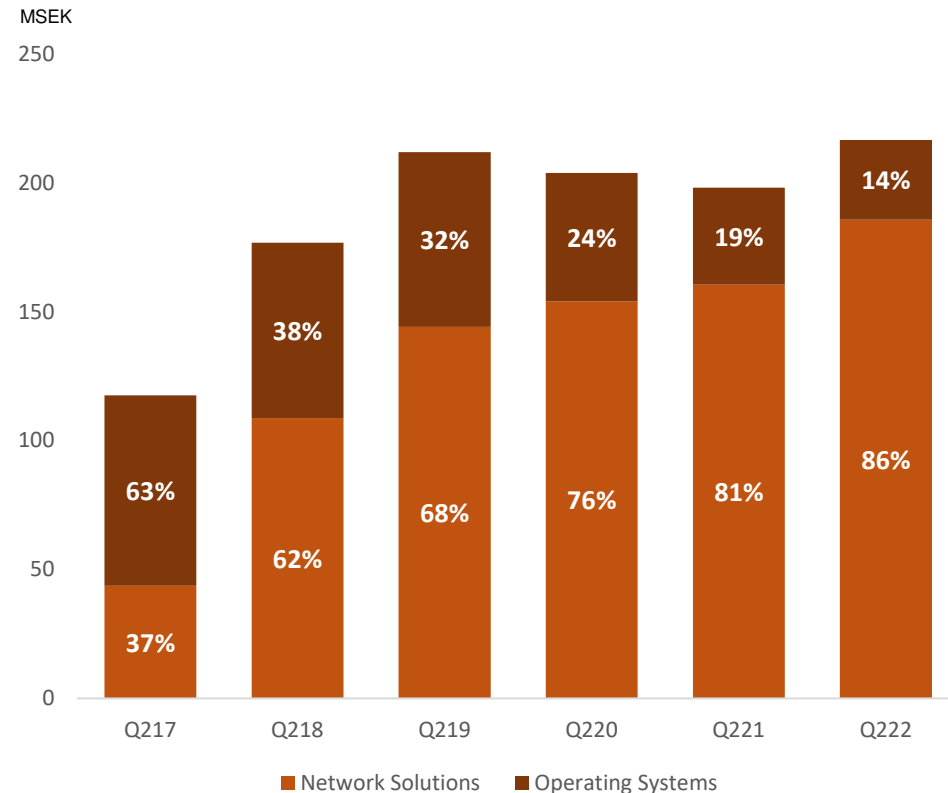
► **Net sales of SEK 31m (38) or -17%**

- Organic growth adjusted for currency was -18% vs Q2 2021
- The two key accounts declined by -31% and represent approx. 56% (66) of total sales in the quarter

► **Net sales of SEK 64m (79) or - 19%**

- Organic growth adjusted for currency was -20% vs first six months 2021
- The two key accounts declined by -30% and represent approx. 61% (70) of total sales in the period.

Network solutions grew by 16% and accounts for 86%



Operating Systems

- ▶ Net sales decrease was -18%, due to an expected decline in key accounts
- ▶ Organic growth adjusted for currency was -19% vs Q2 2021

Network Solutions

- ▶ Net sales increased by 16%, driven by the acquisition of AdaptiveMobile Security
- ▶ Organic growth adjusted for currency was -19% vs Q2 2021

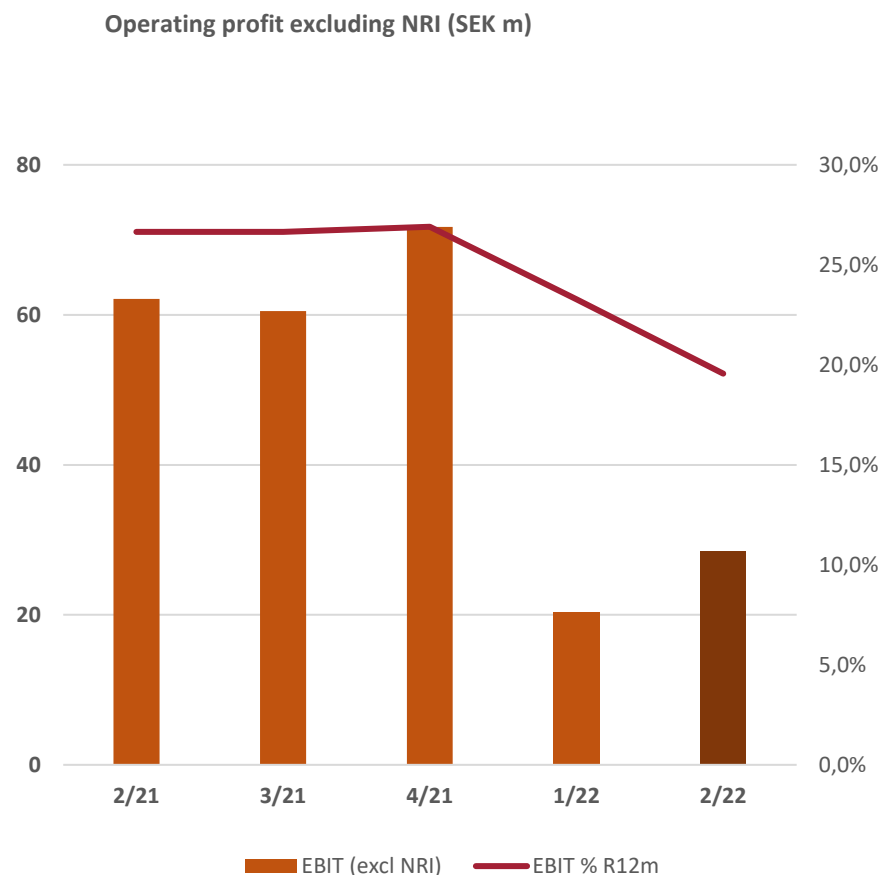
32.7 percent EBITDA margin in Q2



| | 2022 Q2 | 2021 Q2 | 2022 Jan-Jun | 2021 Jan-Jun |
|--|---------|---------|--------------|--------------|
| EBITDA excl Non-Recurring Items, SEK m | 70.8 | 87.7 | 126.9 | 156.6 |
| EBITDA, SEK m | 70.7 | 87.7 | 103.2 | 156.6 |
| EBITDA margin excl. non-rec. items, % | 32.7% | 44.3% | 29.7% | 41.1% |
| EBITDA margin, % | 32.7% | 44.3% | 24.2% | 41.1% |

- 32.7% (44.3%) EBITDA margin excl. NRI
- No new Non-Recurring Items in the quarter
- 80.4% in Gross margin (88.5%), negatively affected by lower new license sales and a higher degree of cost of services within AdaptiveMobile Security
- Operational expenses of SEK 145.7m (115.9). Increase is explained by the acquisition of AdaptiveMobile Security and unfavorable FX-impact
- Adjusted for the above, operational spend has decreased by SEK 3.5m or -3%

13.1 percent EBIT margin in Q2



| | 2022 Q2 | 2021 Q2 | 2022 Jan-Jun | 2021 Jan-Jun |
|--|---------|---------|--------------|--------------|
| EBIT excl Non-Recurring Items, SEK m | 28.3 | 57.7 | 43.0 | 97.4 |
| EBIT, SEK m | 28.4 | 57.7 | 19.3 | 97.4 |
| EBIT margin excl. non-rec. items, % | 13% | 29% | 10% | 25% |
| EBIT margin, % | 13% | 29% | 5% | 25% |
| Earnings per share, SEK | 6.56 | 2.41 | 6.19 | 4.43 |
| Earnings per share (Continued business), SEK | 2.15 | 2.24 | 1.54 | 4.06 |

- EBIT of SEK 28.3m (57.7) or 13.1% (29.1%) EBIT margin
- EPS of SEK 6.56 compared to SEK 2.41 last year
- EPS for the continued operations of SEK 2.15 compared to SEK 2.24 last year

New Financing structure supports quarterly cash flow variations

Cash flow generation

- Q2 cash flow before changes in WC amounted to SEK 79.4m (88.4)
- Q2 cash flow from operations amounted to SEK 73.3 m (94.3)
- Proceeds from divestments used to reduce drawn revolver facility

Financing structure

- Interest bearing bank loans amounted to SEK 577.2m (393.0)
- New financing structure signed mid April
- Cash and cash equivalents were SEK 218.0 m (250.5)

Financial KPIs

- Equity ratio was 65.9 percent (67.3)
- Net debt to EBITDA was 1.20 (0.43)

Agenda

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



Key Factors and Trends

Telecom

- ▶ Traffic growth continues, new applications require higher network performance
- ▶ "Digital telco" first movers set the scene for a reshaped industry

Cybersecurity

- ▶ Geopolitical tensions and cyber attacks remain high
- ▶ Mobile networks are strategic and therefore potential targets
- ▶ High attention in Americas

Macro environment

- ▶ Cautious decision making and deferred investments
- ▶ Component shortage impacting hardware supply



Our Strategy

Focus on software...



...high-margin portfolio in a world where many of our competitors are encumbered by legacy hardware business.

Well positioned in selected growth markets...



...including:

- Cybersecurity
- 5G core networks
- Internet of Things

Global presence...



...via:

- direct and indirect go-to-market
- distributed R&D for securing key talent

Outlook 2022 and Longer Term

Our long-term target of sales growth and an operating profit above 20 percent remains, but an uncertain macro environment and a weak first half of the year means that we judge it challenging to reach the profitability target for 2022.



Thank you!

ENEAA

www.enea.com

