

Interim report January-March 2017

Satisfactory quarter considering our transformation

First quarter 2017

- Revenue in the first quarter was SEK 141.0 (120.8) million, equivalent to a 17 percent increase.
- Operating profit for the first quarter decreased to SEK 23.5 (26.9) million, corresponding to an operating margin of 16.7 (22.3) percent.
- Earnings per share decreased to SEK 1.19 (1.38) for the first quarter.
- Cash flow from operating activities was SEK 30.4 (38.8) million for the quarter. Cash and cash equivalents and financial investments amounted to SEK 285.1 (227.8) million at the end of the quarter.
- The Board of Directors is proposing that the Annual General Meeting resolves on a transfer to shareholders corresponding to SEK 2.00 (4.20) per share via an automatic redemption program.

Key figures	Jan-Mar		Full year
	2017	2016	2016
Revenue, SEK million	141.0	120.8	501.3
Revenue growth, %	17	3	4
Revenue growth currency adjusted, %	15	3	3
Operating profit, SEK million	23.5	26.9	118.8
Operating margin, %	16.7	22.3	23.7
Net profit after tax, SEK million	19.7	21.9	94.6
Earnings per share, SEK	1.19	1.38	5.95
Change in earnings per share, % *	-14	16	8
Cash flow from operating activities, SEK million	30.4	38.8	128.1
Cash, cash equivalents and financial investments, SEK million	285.1	227.8	223.5

* Compared with the same period last year.

CEO letter



The acquisition of Qosmos completed in December was a key step, and in the first quarter we operated as a single company under the Enea brand for the first time.

A new era

The first quarter 2017 is the start of a new era for us in a number of ways. Our new product offering in network intelligence provides an additional cornerstone, and is already making a very positive contribution to operations with total revenue up by 17 percent year over year. At the same time, business with our largest customer presents a growing challenge, decreasing by more than 15 percent on the corresponding period last year. This remains our primary challenge over the coming quarters. We need to offset the decline in existing business with major customers with growth in new areas.

Facing multiple challenges

Unfortunately, our US service sales continued to make negative progress in the period, with year over year revenue decreasing by more than 20 percent for the second quarter running. Service sales in the US are heavily exposed to the aerospace and defense industries, making it sensitive to delays in projects where the end customer is a government agency. The major service deals we expected to be completed in the first quarter 2017 did not materialize as planned. Our estimate now is that the negative trend will continue for a few more quarters. However, service sales in Europe made positive progress in the first quarter 2017 and in 2016, a trend which is expected to continue over the coming quarters. With the exception of key customers and network intelligence, our global software operations also made weak year over year progress in the first quarter 2017. We do not see any clear signs of an imminent recovery in this area, and will need to implement major operational and structural changes to improve sales in global operations.

The negative trend for Key Accounts and global software sales is mainly due to the increasing use of open source code. This development presents both threats and opportunities for Enea, and open source solutions are already a natural part of our portfolio. Network virtualization is one example of an area where we are very active and well positioned in the OPNVF project. We recently presented our solution for virtualization of customer-premises equipment, i.e. units at the edge of the network, at the Mobile World Congress. After four intensive days in Barcelona, we are now able to conclude that our message and focus are well in line with market progress. The trend towards virtualized communication networks is stronger than ever, and Enea is well positioned to face the challenges and opportunities it raises.

In order to satisfy the new market conditions, we are continuing to develop our product portfolio, including both open and proprietary solutions. The acquisition of Qosmos completed in December was a key step in this direction, and in the first quarter we operated as a single company under the Enea brand for the first time. Qosmos is now a business unit within Enea and network intelligence a new product area in our portfolio. Overnight, Enea has become a name to be reckoned with in a number of new areas. In February, we participated in the RSA Cyber Security Conference where we demonstrated the latest version of our ixEngine product. ixEngine 5.3 generates opportunities for additional sales to existing customers, and improves our ability to assist customers with signatures for customer-specific protocols and solutions. We will tirelessly continue to strengthen our position in the areas where we perceive demand and where the world of tomorrow is being built.

Satisfactory profit given our transformation and extraordinary costs

We have now experienced five years of profit and margin growth, and the coming period will mainly focus on realigning our business operations. During this shift, our focus will be more on establishing a market position than margin expansion. As previously communicated, it will be a challenge to retain the margins generated in previous years. It should also be noted that the companies acquired in 2016 returned margins well below the 20 percent-plus that Enea has delivered in recent years. This means that we can expect it to take several quarters before returning to a 20 percent operating margin, while our ambition remains to achieve an operating margin of 20 percent by the end of 2017. This means that we will continue to review our cost structure in parallel with strengthening our market position. As I wrote in my comment on Q4 2016, future margin gains will mainly come from focusing on fewer areas and streamlining unprofitable business segments without clear potential. Against this background, our first-quarter operating margin of close to 17 percent and operating profit of SEK 23.5 million, are satisfactory despite the year over year decrease of SEK 3.4 million. Earnings per share of SEK 1.19 (1.38) and cash flow of SEK 30.4 million (38.8) are also down on the corresponding period in the previous year, but remain satisfactory given our transformation.

The significant dispute with a major customer regarding the interpretation of contractual terms, generated substantial legal costs in the quarter, which burdened Q1 2017 profit by SEK 2.2 million. The dispute has increased in scope and now also encompasses a one-sided price reduction the customer wants to enforce. This means that we cannot rule out increasing legal expenses during the year. We also benefitted from reduced costs of SEK 1.6 million Q1 2016 in the form of repayment of social security contributions for an earlier research and development project in France, which made a positive contribution to operating profit in Q1 2016. Adjusted for these two non-recurring items totaling SEK 3.8 million, operating profit for Q1 2017 increased year over year.

Future prospects

We are continuing to build a larger and stronger company with increased values for our customers, employees and shareholders. The transformation process currently underway is fundamentally positive for Enea, and reduces dependence on a single product and a limited number of major customers. Acquisitions that strengthen our market position and long-term earnings ability are a key part of this process, and despite our expectation of reduced income from our largest customers, our objective remains to expand with good profitability and sound cash flow. However, we cannot rule out the risk that increasing non-recurring costs associated with this process will burden profit for 2017.

Our objective for the full year 2017 is to achieve double-digit revenue growth, and improved operating profit compared to 2016 before non-recurring costs. We expect the improvement of operating profits to occur in the second half-year 2017.

Anders Lidbeck,
CEO & President

Revenue

Enea's revenue in the first quarter was SEK 141.0 (120.8) million, a 17 percent increase on the first quarter 2016. Currency adjusted, revenues were 15 percent higher in the first quarter compared to the corresponding period in the previous year.

Revenue by business unit and revenue type

Enea's business units are Key Accounts, Worldwide Software Sales and Global Services. Key Accounts includes software sales and product-related services for Enea's two largest customers, Worldwide Software Sales include software sales and product-related services to other customers.

Key Accounts and Worldwide Software Sales jointly make up Enea's software business, which generated 77 percent of total revenue in the quarter, divided between Key Accounts at 44 percent and Worldwide Software Sales at 33 percent. Global Services includes sales of services not directly related to software sales. Global Service's revenue amounted to 23 percent of total revenue in the quarter. As a direct result of the acquisition of Qosmos, revenue from Worldwide Software Sales increased by 100 percent year-on-year. This is the highest revenue achieved in the area in any single quarter. Revenues from Key Accounts increased by 2 percent. The acquisition of Qosmos progressed well in a number of ways and made a strong contribution to the increase in Key Accounts, where revenue from Enea's largest customer continued to decrease.

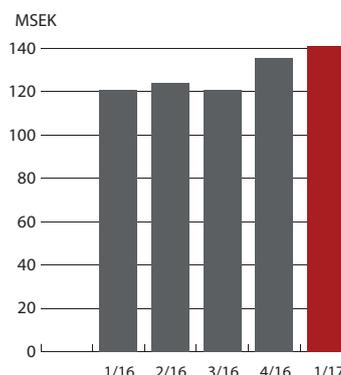
Production licensing sales were 45 percent of software sales, and increased in the quarter compared to the corresponding period of the previous year. Development licenses including support and maintenance comprised 51 percent of software sales, and increased in the quarter on the corresponding period of the previous year. Product-related services also decreased on the corresponding period of the previous year.

Revenue in Global Services decreased by 11 percent, due to a weak quarter in the US service business, resulting from a number of major transactions not proceeding as planned in the quarter. However, the European service business returned strong growth compared to the corresponding period in the previous year.

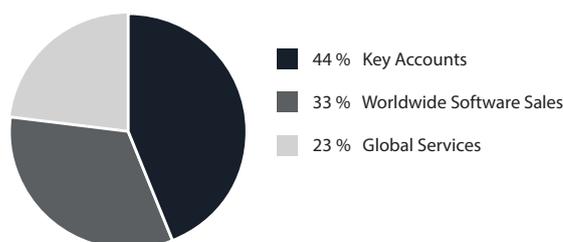
Revenue by market segment

From the first quarter 2017, Enea has the following market segments: Networks/Telecom, Security, Aerospace/defense and Other. In addition to telecom infrastructure, the Networks/Telecom market segment includes mobile devices and operators, while Security segment includes cyber security solutions. Revenue in the quarter was distributed as follows: Networks/Telecom 66 percent, Security 12 percent, Aerospace/defense 8 percent and Other 14 percent. The "Other" market segment includes customers in system integration and manufacturing.

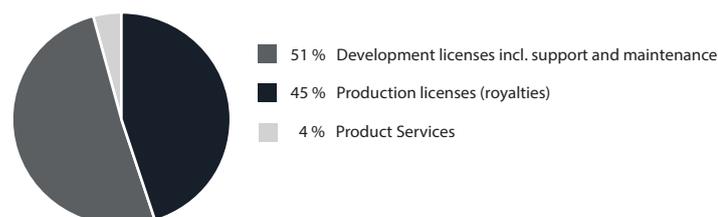
Revenue



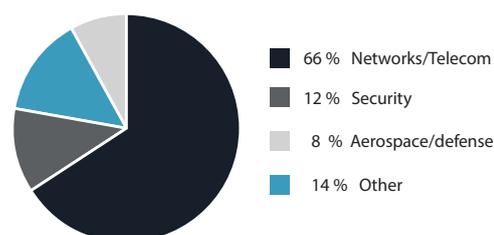
Revenue per business unit (Jan-Mar)



Revenue type, software operations (Jan-Mar)



Revenue per market segment (Jan-Mar)



Revenue per region

Enea has sales offices in Sweden, Germany, France, Romania, the US, China, Japan and Singapore, which are organized into the Europe, Americas and Asia regions.

Europa

The European operation includes customers like Ericsson and Nokia. Sales are from our offices in Sweden, Germany, Romania and France, and consist of Key Accounts, Worldwide Software Sales and Global Services. Revenue in Europe increased by 15 percent in the quarter year-on-year. The increase is mainly due to new business in the Security area, where Qosmos had a very positive effect in Europe.

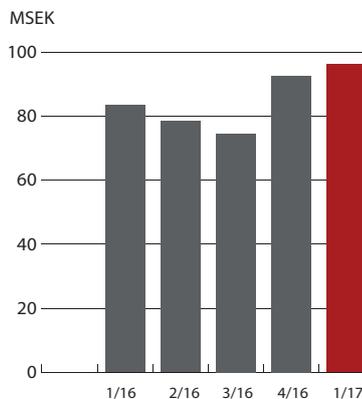
Amerika

Enea's American operation includes such customers as Boeing and Motorola. Two offices manage sales and delivery of software and services. Sales consist of Worldwide Software Sales and Global Services. Revenue increased by 17 percent in the quarter compared to the corresponding quarter of the previous year. The increase is mainly due to new business in Telecom/Networks and Qosmos progressed well in Americas in the quarter.

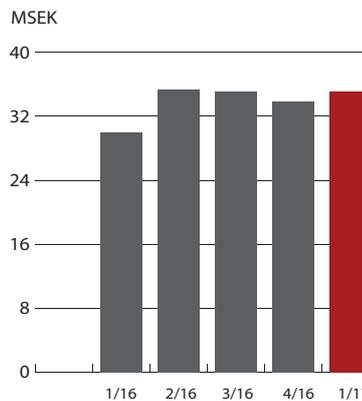
Asien

The Asian operations includes customers such as Fujitsu and Hytera, and are managed from offices in China, Japan and Singapore. Sales consist of Worldwide Software Sales and, to a lesser proportion, Key Accounts. Revenue increased by 35 percent in the quarter year-on-year. The increase was a direct consequence of the acquisition of Qosmos and completed transactions in the Security segment.

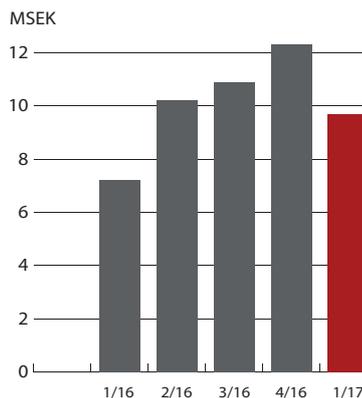
Revenue Europe



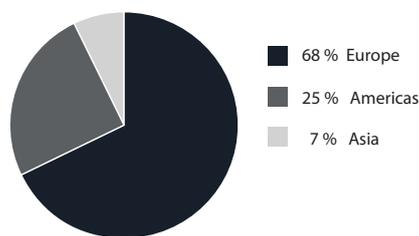
Revenue Americas



Revenue Asia



Revenue per region (Jan-Mar)



Revenue per product group

Enea's products and services are divided into three main groups: **Operating System Solutions**, which includes Enea OSE, Enea Linux and Enea OSEck. **Network Solutions** includes Enea Element, ElementCenter, Polyhedra, Qosmos ixEngine, Qosmos Signatures. Revenues from service sales globally are recognized in the **Global Services** product group.

Operating System Solutions

Operating systems are the software that forms the link between hardware and the programs that it runs. Enea's operating system is used in embedded systems that are components in telecom equipment, for example. Development tools are used to develop software that runs on Enea's operating system and are usually sold bundled with the operating system. Operating systems and tools are reported as one product group.

Operating systems account for most of Enea's sales, with 46 percent of revenues in the quarter. Sales decreased in the quarter compared to the corresponding quarter of the previous year.

Network Solutions

From the first quarter 2017, the Middleware product group was renamed Network Solutions. The new name better reflects the actual content, focusing on network communication. The Network Solutions group includes the device and network management, network virtualization and network intelligence product areas. (For more information, see Enea's Annual Report 2016, p. 10-11).

Sales in network solutions increased in the quarter. The segment provided 30 percent of total sales in the quarter, and is of growing strategic significance to Enea.

Global Services

Enea's global service sales decreased on the same quarter of the previous year, accounting for 23 percent of Enea's total sales. Global Services decreased as a result of a weak quarter in the US service operations.

Other

The Other group, which mainly consists of third-party products, and currency effects, increased in the quarter and the full year, representing 1 percent of total quarterly sales.

Enea's offering

Enea OSE, Enea Linux, Enea OSEck – operating systems

Enea Element – software that interconnects operating systems with applications.

Enea ElementCenter – software for configuring, monitoring and controlling network functions.

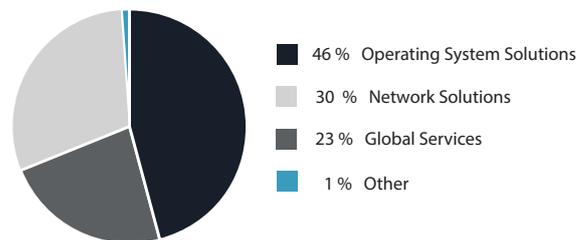
Enea Polyhedra – in-memory database

Global Services – delivers services including design, development, project management, training and quality assurance.

Qosmos ixEngine – Deep Packet Inspection software that extracts and classifies metadata for traffic policy enforcement.

Qosmos Signatures – Deep Packet Inspection (DPI) library. Constantly updates signatures for protocols and applications in network solutions.

Revenue per product group (Jan-Mar)



Costs

Costs of goods and services sold

Costs of goods and services sold comprise costs that are directly attributable to delivery of the company's production licenses, development licenses including support and maintenance, services close to products and global services. These costs include expenses relating to generating licenses, support costs, costs associated with potential third-party products and direct personnel costs attributable to delivery of consulting services. Enea also reports amortization of intellectual property rights and capitalized product development expenses as cost of goods and services sold. Amortizations were SEK 3.9 (4.2) million in the first quarter. Direct costs attributable to license sales normally comprise less than 10 percent of the sales price, while costs for services close to products and global services normally amount to between 60 and 80 percent of the sales price.

In the first quarter 2017, costs of goods and services sold were SEK 39.7 (38.2) million.

Operating costs

Operating costs are sales and marketing costs, product development costs and administration costs.

Sales and marketing costs

Sales and marketing costs include fixed and performance-related salary for the company's sales staff and costs associated with the company's marketing activities, such as participation at trade fairs, seminars, advertising and internet.

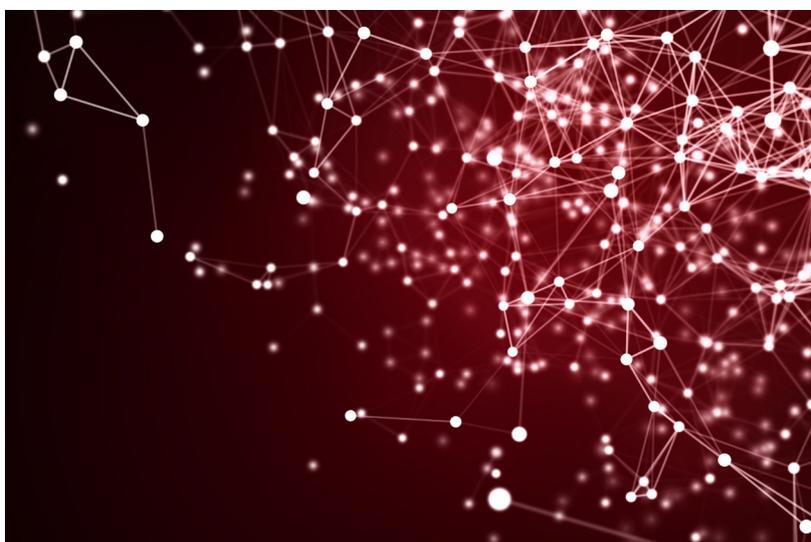
In the first quarter, Enea's sales and marketing costs were SEK 35.7 (22.3) million, corresponding to 25.3 (18.4) percent of revenue in the quarter.

Product development costs

Product development costs comprise direct and indirect costs associated with the management, development and testing of the company's software products, as well as personnel costs and costs for development tools and IT. A proportion of the company's product development costs for new software products is capitalized in the Balance Sheet, and are normally amortized over 60 months. Total R&D investments in the first quarter 2017 were SEK 34.8 (25.3) million, of which product development costs recognized in the Income Statement were SEK 23.3 (21.1) million, corresponding to 16.5 (17.5) percent of revenue in the quarter. In the first quarter, product development costs totaling SEK 11.5 (4.2) million were capitalized. The increase in capitalized product development costs was mainly due to the acquisition of Qosmos.

Administration costs

Administration costs comprise costs of management, the Board of Directors and Accounts, including internal and external legal expenses and Audit fees. In the first quarter, administration costs were SEK 18.8 (12.4) million, corresponding to 13.3 (10.2) percent of revenue in the quarter. External legal costs attributable to ongoing disputes were SEK 2.4 million, compared to SEK 0.3 million in the first quarter of 2016.



Profit & Loss, Cash Flow, Investments & Financial Position

Profit & loss

The group's operating profit amounted to SEK 23.5 (26.9) million in the first quarter, which corresponds to an operating margin of 16.7 (22.3) percent. Currency effects exerted a marginal impact on profit. The gross margin for the first quarter was 71.8 (68.4) percent.

The financial net for the first quarter amounted to SEK -0.1 (0.9) million. Profit after tax decreased to SEK 19.7 (21.9) million for the quarter. Earnings per share were SEK 1.19 (1.38) for the first quarter. Without adjusting for holdings of treasury shares, earnings per share were SEK 1.10 (1.33) for the quarter.

Cash Flow

Cash flow from operating activities was SEK 30.4 (38.8) million for the first quarter. Total cash flow amounted to SEK 62.5 (54.5) million in the quarter. Cash flow from changes in working capital varies between quarters, for reasons including the timing of major payments.

Investments

The group's investments amounted to SEK 14.1 (34.0) million in the first quarter. Depreciation and amortization amounted to SEK 5.1 (5.2) million for the quarter. Enea capitalized SEK 11.5 (4.2) million in the quarter. Amortization of capitalized product development expenses in the first quarter amounted to SEK 2.7 (4.1).

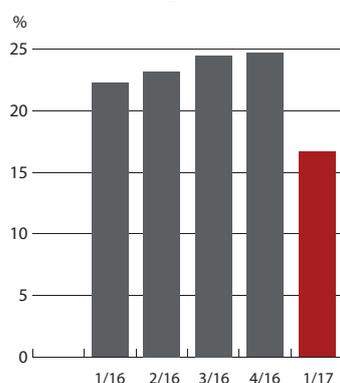
Financial position

Cash and cash equivalents and financial investments were SEK 285.1 (227.8) million at the end of the quarter, of which financial fixed assets with maturities of more than one year amounted to SEK 0 (40.1) million.

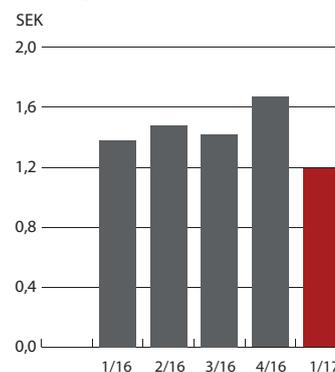
Total interest-bearing liabilities were SEK 133.0 (0) million at the end of the quarter, divided between long-term interest-bearing liabilities of SEK 99.0 (0) million, and current interest-bearing liabilities of SEK 34.0 (0) million. Additionally, the group has an unused credit facility of SEK 15 (15) million. Enea has an equity ratio of 57.8 (75.3) percent.

Total assets amounted to SEK 1,042.1 (558.8) million at the end of the quarter. Enea's net cash position totaled SEK 49.4 (227.8) million in the quarter. At year-end 2016, net cash was SEK -124.9 million.

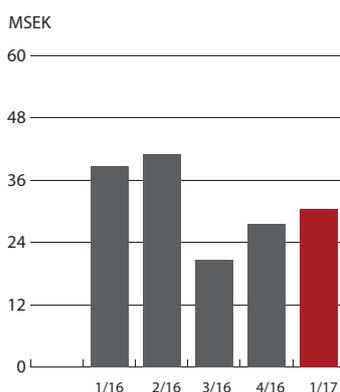
Operating margin



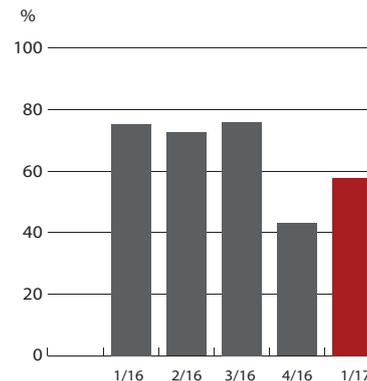
Earnings per share



Cash flow from operations



Equity ratio



Employees, Repurchasing of Treasury Shares, Parent Company, New Share Issue & Annual General Meeting

Employees

At the end of the quarter, the group had 468 (402) employees, an increase of 66 on the corresponding quarter of the previous year and an increase of 4 on the previous quarter.

Repurchase of treasury shares

Enea repurchased 0 shares in the first quarter. Enea's holding of treasury shares amounted to 345,978 shares, corresponding to 1.9 percent of total shares, at the end of the quarter.

Parent company

The parent company's revenue for the first quarter amounted to SEK 14.1 (11.4) million and profit before appropriations and tax amounted to SEK 0.2 (0.6) million. The financial net of the parent company was SEK 0.2 (0.6) million, and at the end of the quarter, cash and cash equivalents and financial investments amounted to SEK 255.4 (194.5) million. The parent company's investments in the quarter amounted to SEK 0.1 (0.1) million. The parent company had 12 (12) employees at the end of the quarter. The parent company does not conduct its own business and its risks primarily relate to the operations of subsidiaries.

New issue

On 21 February 2017, Enea completed a targeted new issue totaling SEK 162.4 million. After the new issue, the total number of shares and votes in Enea was 17,864,231. The new issue implies a dilution effect of some 9.1 percent based on the total number of shares in Enea after the new issue. For more information, visit www.enea.com.

Annual General Meeting

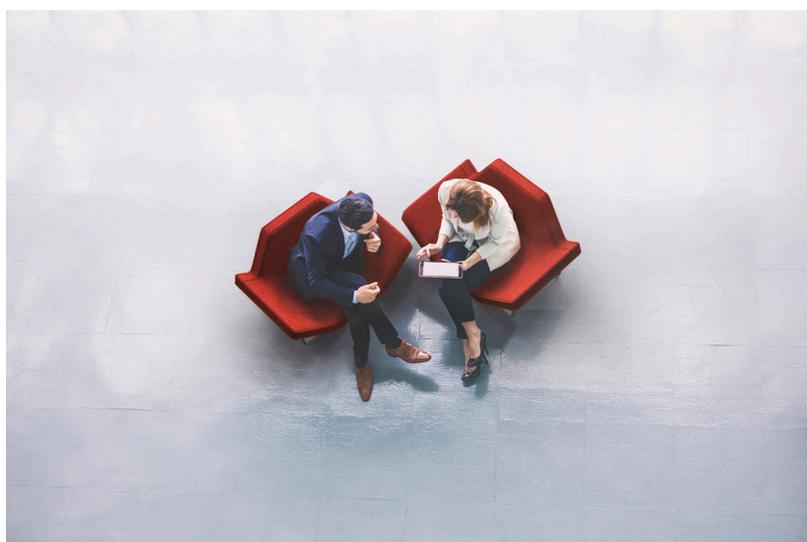
Enea's Annual General Meeting (AGM) 2017 will be held at 4:30 p.m. on Tuesday 9 May at Kista Science Tower, Färögatan 33, Kista, Sweden.

Nomination Committee

In consultation with the major shareholders, the Chairman of the Board of Enea AB has established a Nomination Committee for the AGM 2017. The members of the Nomination Committee are: Per Lindberg, Sverre Bergland (DnB), Annika Andersson (Swedbank Robur Fonder) and Anders Skarin (Chairman of the Board of Enea AB). The Nomination Committee has appointed Per Lindberg as Chairman.

The duty of the Nomination Committee is to submit proposals for a Chairman and other members of the Board to the AGM, as well as remuneration and other compensation for each of the Board members. The Nomination Committee should also present proposals for the election and remuneration of auditors. Additionally, the Nomination Committee will submit a proposal regarding a process for appointing a Nomination Committee for the AGM 2017.

The Annual Report and other documents are available on Enea's website, www.enea.com.



Other

Accounting policies

This Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting, which is compliant with Swedish law through application of the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups and RFR 2, Accounting for Legal Entities, for the parent company. The corresponding accounting policies, definitions of key performance indicators and calculation methods have been applied as in the latest annual accounts for the group and parent company, unless stated otherwise below.

Financial assets and liabilities

The group applies IFRS 13. This standard requires submission of information on uncertainty in the valuations on the basis of the three levels used for financial instruments. Level 1: fair value of financial instruments traded on an active market is based on listed market prices on the reporting date. A market is regarded as active if listed prices from a stock exchange, broker, industry group, pricing service or regulatory agency are readily and regularly available and if these prices represent actual and regularly occurring arm's length market transactions. The listed market price used for the group's financial assets is the current purchase price for corporate bonds. These are level 1 instruments. Level 2: fair value of financial instruments not traded on an active market (e.g. OTC derivatives are measured with the aid of valuation techniques). The group has currency derivatives, which are used for hedging purposes. Currency hedges are measured at market value by conducting an early allocation of the currency hedge in order to determine what the forward price would be if the maturity were at the reporting date. The group has currency hedging of EUR to SEK, so the difference in interest rate between Sweden and Europe for the remaining original term provides the number of points to be deducted from the original forward price. The difference between the new forward price and the original forward price gives the market value of the currency hedge. Market information is used here as far as possible as this is available, while company-specific information is used as little as possible. The group has a liability relating to currency hedges that is recognized at a value of SEK 0.4 million as at 31 March 2017, which is also the total for level 2. Level 3: there is a liability relating to an additional purchase consideration for Centered Logic in level 3, which amounts to SEK 18.2 million as of 31 March 2017, and the purchase consideration of Qosmos of SEK 95.4 million, which has been entered as a liability. Estimated fair value is consistent with carrying amount.

Allocation by level in valuation at fair value, 2017-03-31, SEK million	Level 1	Level 2	Level 3	Total
Derivative instrument used				
Currency derivatives	-	0.4	-	0.4
Financial liabilities at fair value through profit or loss				
Debt conditional purchase price, long-term	-	-	15.3	15.3
Debt conditional purchase price, short-term	-	-	2.9	2.9
Debt settlement, long-term	-	-	95.4	95.4
Total	-	0.4	113.6	114.0

No transfers between the categories took place in the period. The carrying amount of other financial assets and liabilities is consistent with fair value.

Essential risks and uncertainty factors

Dependence on Key Accounts decreases, but remains high. These customers accounted for half of the group's revenues during 2016. During the fourth quarter 2016 Enea informed regarding an ongoing arbitration regarding contract interpretation issues with a customer. Due to confidentiality and legal procedural reasons, Enea cannot comment further on the process at the moment. Because there were no significant changes in general to material risks and uncertainties in the past quarter, the reader is referred to the review on pages 18-19 of the most recent Annual Report.

In the fourth quarter 2016, Enea financed acquisitions by a bank loan of SEK 150 million. The loan will be repaid at SEK 34 million per year with a remaining bullet of SEK 48 million, which will be renegotiated at the end of the term. Interest accrues at Stibor 3M +1.95 percent. The loan agreement stipulates covenants regarding the group's equity ratio, Net debt/EBITDA and Debt service ratio. These covenants were satisfied as of 31 March 2017.

IFRS 15 – Revenue from contracts with customers

A project aimed at analyzing the effects of IFRS 15 was started in 2016, and is expected to be completed in the fourth quarter 2017, when potential effects on the company's revenue will be presented.

Dividend & Target Compliance and Outlook

Dividend via automatic redemption program

Enea's ambition is to build a bigger and stronger company that delivers increasing value for customers, employees and shareholders. Acquisitions that strengthen the company's market position and long-term earnings capacity are part of this strategy. Against this background, the Board proposes that the AGM decide to transfer the equivalent of SEK 2.00 (4.20) per share to shareholders. This corresponds to a transfer amounting to a maximum of SEK 35.7 (69.1) million, which is in line with the company's long-term dividend policy of at least 30 percent of profit after tax to be transferred to shareholders. The Board proposes that the proposed transfer to shareholders is carried out through an automatic redemption program.

Target compliance and outlook

Long-term ambition

The ambition over a period of three years commencing 2016 is to continue to develop a global software company with higher sales, sustainable high profitability and good cash flows. The company will focus on organic growth, but both strategic and complementary acquisitions will be evaluated continuously.

Growth will vary between years and quarters, depending on the timing of individual deals and the progress of royalty streams, which depend on customers' sales volumes. Operating margin will vary over the quarters of this period, corresponding to growth. Enea's objective is to maintain an operating margin of over 20 percent over this period.

Outlook for 2017

Our objective for the full year 2017 is to achieve double-digit revenue growth, and improved operating profit compared to 2016 before non-recurring costs. We expect the improvement of operating profits to occur in the second half-year 2017.

Kista, Sweden, 26 April 2017
Board of Directors

*This interim report was not examined
by the Company's auditors*

Consolidated statement of comprehensive income

SEK million	Jan-Mar		12 months	Full year
	2017	2016	Apr-Mar	2016
Revenue	141.0	120.8	521.4	501.3
Cost of sold products and services	-39.7	-38.2	-150.1	-148.5
Gross profit	101.3	82.7	371.4	352.8
Sales and marketing costs	-35.7	-22.3	-100.7	-87.3
R&D costs	-23.3	-21.1	-93.7	-91.5
General and administration costs	-18.8	-12.4	-61.7	-55.2
Operating profit ^{1,2}	23.5	26.9	115.3	118.8
Financial net	-0.1	0.9	4.2	5.2
Profit before tax	23.4	27.8	119.6	124.0
Tax	-3.7	-5.9	-27.2	-29.4
Net profit for the period	19.7	21.9	92.4	94.6
OTHER COMPREHENSIVE INCOME				
<i>Items that may be reclassified to profit or loss</i>				
Change in hedging reserve, after tax	0.4	-0.5	-0.6	-1.5
Currency translation differences	-2.1	-0.7	-7.5	-6.1
Total comprehensive income for the period, net of tax	18.0	20.7	84.3	87.0
Profit for the period attributable to the shareholders of the Parent Company	19.7	21.9	92.4	94.6
Comprehensive income for the period attributable to the shareholders of the Parent Company	18.0	20.7	84.3	87.0
1) incl. depreciation of tangible assets	1.2	0.9	3.8	3.5
2) incl. amortization of intangible assets	3.9	4.3	14.3	14.6

Key figures related to the income statement

	Jan-Mar		12 months	Full year
	2017	2016	Apr-Mar	2016
Earnings per share (SEK) ¹	1.19	1.38	5.76	5.95
Earnings per share after full dilution (SEK)	1.19	1.38	5.76	5.95
Number of shares before dilution (million)	16.6	15.9	16.0	15.9
Number of shares after dilution (million)	16.6	15.9	16.0	15.9
Revenue growth (%)	17	3	8	4
Gross margin (%)	71.8	68.4	71.2	70.4
Operating costs in % of revenue				
- Sales and marketing costs	25.3	18.4	19.3	17.4
- R&D costs	16.5	17.5	18.0	18.2
- General and administration costs	13.3	10.2	11.8	11.0
Operating margin (%)	16.7	22.3	22.1	23.7

1) Excluding Enea's treasury shares

Consolidated statement of financial position

<i>SEK million</i>	31 Mar 2017	31 Mar 2016	31 Dec 2016
ASSETS			
Intangible assets	505.3	157.2	499.2
- of which goodwill	417.7	119.8	419.2
- of which capitalized development costs	46.4	35.1	37.7
- of which other intangible assets	21.2	-	21.8
- of which product rights	9.4	-	9.8
- of which customer agreements	9.2	-	9.2
- of which other intangible assets	1.4	2.3	1.5
Tangible assets	11.5	6.3	10.9
Deferred tax assets	21.2	2.0	23.5
Other fixed assets	3.3	1.5	6.5
Financial assets held for sale, non-current	-	40.1	-
Current receivables	215.8	164.0	219.4
Cash and cash equivalents	285.1	187.7	223.5
Total assets	1 042.1	558.8	983.0
EQUITY AND LIABILITIES			
Equity	602.2	420.9	422.9
Deferred tax liability	35.7	20.0	35.0
Other provisions	10.9	1.3	14.0
Long-term liabilities, interest-bearing	99.0	-	116.0
Long-term liabilities, non-interest-bearing	109.8	15.5	113.0
Current liabilities, interest bearing	34.0	-	34.0
Current liabilities, non-interest bearing	150.5	101.1	248.2
Total equity and liabilities	1 042.1	558.8	983.0

Consolidated statement of changes in equity

<i>SEK million</i>	31 Mar 2017	31 Mar 2016	Full year 2016
At beginning of period	422.9	398.9	398.9
Total comprehensive income for the period	18.0	20.7	87.0
Dividend / Redemption program	-	-	-66.8
New share issue	159.8	-	-
Share saving program	1.5	1.3	5.9
Repurchasing of own shares	-	-	-2.0
At end of period	602.2	420.9	422.9

Consolidated statement of cash flows

SEK million	Jan-Mar		Full year
	2017	2016	2016
Cash flow from operating activities before change in working capital	20.7	27.9	132.8
Cash flow from change in working capital	9.6	11.0	-4.7
Cash flow from operating activities	30.4	38.8	128.1
Cash flow from investing activities	-13.6	15.7	49.6
Cash flow from investing activities - from acquisition of business, net	-96.3	-	-139.6
Cash flow from financing activities, automatic redemption program	-	-	-66.8
Cash flow from financing activities, raising of loans	-	-	150.0
Cash flow from financing activities, amortization of loans	-17.0	-	-25.0
Cash flow from financing activities, repurchasing of treasury shares	-	-	-2.0
Cash flow from financing activities, new share issue incl. transaction costs	159.0	-	-
Cash flow for the period	62.5	54.5	94.3
Cash and cash equivalents at the beginning of period	223.5	132.8	132.8
Exchange rate differences in cash and cash equivalents	-0.9	0.4	-3.7
Cash and cash equivalents at end of period	285.1	187.7	223.5

Key Figures related to the balance sheet and cash flow

SEK million	Jan-Mar		12 months	Full year
	2017	2016	Apr-Mar	2016
Cash and cash equivalents and financial investments (SEK million)	285.1	227.8	285.1	223.5
Equity ratio (%)	57.8	75.3	57.8	43.0
Equity per share (SEK)	34.38	26.44	34.38	26.61
Cash flow from operating activities per share (SEK)	1.83	2.44	7.46	8.06
Number of employees at end of period	468	402	468	464
Return on equity (%)	-	-	18.1	23.0
Return on capital employed (%)	-	-	23.1	27.8
Return on assets (%)	-	-	16.9	18.1

Parent Company Income Statement

SEK million	Jan-Mar		Full year
	2017	2016	2016
Revenue	14.1	11.4	49.3
Operating costs	-14.1	-11.4	-49.3
Operating profit	-	-	-
Net financial income	0.2	0.6	68.4
Profit after financial net	0.2	0.6	68.4
Appropriations	-	-	-0.8
Profit before tax	0.2	0.6	67.5
Tax	-0.1	-0.1	-0.7
Net profit for the period	0.1	0.5	66.9

Parent Company Balance Sheet

SEK million	31 Mar		31 Dec
	2017	2016	2016
ASSETS			
Fixed assets	174.2	214.6	174.3
Current assets	414.4	175.0	272.1
Total assets	588.6	389.6	446.4
EQUITY AND LIABILITIES			
Equity	422.6	259.1	261.2
Untaxed reserves	8.5	7.7	8.5
Long-term liabilities, interest-bearing	99.0	-	116.0
Current liabilities, interest-bearing	34.0	-	34.0
Current liabilities, other	24.5	122.8	26.7
Total equity and liabilities	588.6	389.6	446.4

Quarterly data

SEK million	2017		2016		2015				2014	
	q 1	q 4	q 3	q 2	q 1	q 4	q 3	q 2	q 1	q 4
INCOME STATEMENT										
Revenue	141.0	135.7	120.7	124.1	120.8	126.2	117.7	120.2	117.4	119.3
Costs of sold prod. and services	-39.7	-35.6	-37.4	-37.4	-38.2	-37.6	-37.9	-34.8	-36.2	-34.1
Gross profit	101.3	100.1	83.3	86.7	82.7	88.5	79.9	85.4	81.1	85.2
Sales and marketing costs	-35.7	-24.5	-18.1	-22.5	-22.3	-20.5	-19.3	-22.8	-21.8	-22.7
R&D costs	-23.3	-25.4	-22.5	-22.4	-21.1	-23.1	-21.5	-23.6	-23.2	-21.8
General and administration costs	-18.8	-16.8	-13.1	-13.0	-12.4	-12.7	-11.2	-12.5	-12.8	-11.5
Operating profit	23.5	33.5	29.6	28.8	26.9	32.3	27.9	26.5	23.3	29.2
Net financial income/expense	-0.1	2.7	-0.0	1.6	0.9	1.3	-0.1	0.2	1.1	0.3
Profit before tax	23.4	36.2	29.5	30.4	27.8	33.6	27.7	26.7	24.4	29.4
Tax	-3.7	-9.6	-7.0	-6.9	-5.9	-6.2	-7.1	-5.9	-5.3	-5.9
Net profit for the period	19.7	26.6	22.6	23.5	21.9	27.4	20.6	20.8	19.2	23.5
Other comprehensive income	-1.7	-12.1	3.6	2.1	-1.2	-2.5	3.4	-3.6	6.9	5.8
Total comprehensive income	18.0	14.5	26.2	25.7	20.7	24.8	24.0	17.3	26.1	29.3
BALANCE SHEET										
Intangible assets	505.3	499.2	159.7	159.8	157.2	128.4	129.8	128.2	131.3	128.1
Other assets	32.7	34.4	8.1	8.2	8.3	8.5	9.2	8.7	9.2	9.5
Other financial fixed assets	3.3	6.5	1.1	1.4	1.5	2.0	0.6	1.0	0.5	0.5
Financial assets held for sale, non-current	-	-	35.0	35.0	40.1	70.7	83.0	88.7	57.2	14.3
Current receivables	215.8	219.4	150.2	155.8	164.0	196.2	150.6	158.2	181.7	150.6
Financial assets held for sale, current	-	-	-	-	-	-	-	-	-	20.6
Cash and cash equivalents	285.1	223.5	180.8	161.6	187.7	132.8	110.3	98.9	165.3	180.4
Total assets	1 042.1	983.0	534.9	521.8	558.8	538.6	483.5	483.8	545.2	504.0
Shareholders' equity	602.2	422.9	406.5	379.0	420.9	398.9	374.9	358.9	424.3	400.3
Long-term liab., interest bearing	99.0	116.0	-	-	-	-	-	-	-	-
Long-term liab., non-interest bearing	156.4	161.9	37.6	37.3	36.8	21.5	17.5	17.2	17.0	16.2
Current liab., interest bearing	34.0	34.0	-	-	-	-	-	-	-	-
Current liab., non-interest bearing	150.5	248.2	90.9	105.5	101.1	118.2	91.2	107.7	104.0	87.5
Total equity and liabilities	1 042.1	983.0	534.9	521.8	558.8	538.6	483.5	483.8	545.2	504.0
CASH FLOW										
Cash flow from operating activities	30.4	27.5	20.7	41.1	38.8	18.8	17.5	54.7	13.6	38.5
Cash flow from investing activities	-13.6	35.3	-1.8	0.5	15.7	6.9	2.8	-35.7	-26.7	14.3
Cash flow from financial activities	142.0	125.0	0.0	-68.9	-	-2.2	-9.3	-84.5	-4.1	-4.7
Cash flow for the period	158.8	187.8	18.9	-27.3	54.5	23.5	10.9	-65.5	-17.2	48.1
Cash flow from the acquisition of business	-	-	-	-	-	-	-	-	-	-
Cash flow from acquisition of business	-96.3	-139.6	-	-	-	-	-	-	-	-
Total cash flow from the period	62.5	48.2	18.9	-27.3	54.5	23.5	10.9	-65.5	-17.2	48.1

5 Years in Summary

SEK million	2016	2015	2014	2013	2012
INCOME STATEMENT					
Revenue	501.3	481.5	429.3	408.5	467.8
Operating expenses	-382.5	-371.4	-335.5	-326.4	-395.3
Operating profit	118.8	110.0	93.8	82.1	72.5
Net financial items	5.2	2.5	1.5	1.7	4.2
Earnings before tax	124.0	112.5	95.3	83.8	76.7
Profit for the period	94.6	88.0	74.5	63.2	53.6
Profit, discontinued operations ¹	-	-	-	-	61.7
Net profit	94.6	88.0	74.5	63.2	115.3
BALANCE SHEET					
Intangible assets	499.2	128.4	128.1	121.7	121.5
Other assets	34.4	8.5	9.5	13.2	20.3
Other financial fixed assets	6.5	2.0	0.5	-	28.0
Financial assets held for sale, non-current	-	70.7	14.3	-	-
Current receivables	219.4	196.2	150.6	140.8	143.2
Financial assets held for sale, current	-	-	20.6	-	-
Cash and cash equivalents	223.5	132.8	180.4	163.6	146.7
Total assets	983.0	538.6	504.0	439.3	459.7
Shareholders' equity	422.9	398.9	400.3	371.2	367.2
Provisions and non-current liabilities	277.9	21.5	16.2	11.6	6.8
Current liabilities	282.2	118.2	87.5	56.5	85.8
Total equity and liabilities	983.0	538.6	504.0	439.3	459.7
CASH FLOW					
Cash flow from operating activities	128.1	104.6	116.2	76.6	80.1
Cash flow from investing activities	49.6	-52.8	-48.9	-14.3	-15.7
Cash flow from investing activities - divested business	-	-	10.4	18.0	115.4
Cash flow from investing activities - acquisition of business	-139.6	-	-	-	-
Cash flow from financing activities	56.2	-100.1	-64.6	-63.1	-157.3
Cash flow for the period	94.3	-48.3	13.1	17.3	22.5
KEY FIGURES					
Revenue growth, %	4	12	5	-13	-35
Operating margin, %	23.7	22.9	21.9	20.1	15.5
Profit margin, %	24.7	23.4	22.2	20.5	16.4
Return on capital employed, %	27.8	29.7	25.7	24.1	19.2
Return on equity, %	23.0	22.0	19.3	17.1	13.7
Return on total capital, %	18.1	22.9	21.1	19.8	15.7
Interest coverage ratio, times	10.2	16.2	24.5	16.7	20.7
Equity ratio, %	43.0	74.1	79.4	84.5	79.9
Liquidity, %	156.9	278.3	401.8	538.9	338.1
Average number of employees	410	400	392	384	417
Net sales per employee, MSEK	1.22	1.20	1.10	1.06	1.12
Net asset value per share, SEK	26.61	25.06	24.81	22.65	22.14
Earnings per share, SEK	5.49	5.49	4.58	3.83	6.85
Transfer to shareholders per share, SEK ²	2.00	4.20	3.60	3.00	3.00

1) The comparative numbers related to the divestment of Nordic consulting business has been reclassified according to IFRS 5 and comments from Nasdaq Stockholm.

2) Transfer to shareholders per share proposed by the Board to the Annual General Meeting 2017.

Financial Definitions and Alternative Performance Measures

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.

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

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

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

EBITDA: Earnings before financial items plus depreciation.

Equity per share: Equity in relation to the total number of shares outstanding.

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

Interest coverage ratio: Profit after financial net plus financial costs in relation to financial costs.²

Liquidity: Cash and cash equivalents, including current investments and receivables, in relation to current liabilities.

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

Net cash position: Cash and cash equivalents and financial investments less interest-bearing liabilities and unconditional acquisition-related liabilities.

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

Operating margin: Operating profit in relation to revenue.

Profit margin: Profit after financial items in relation to revenue.

Return on capital employed: Operating profit (loss) plus financial income² in relation to average capital employed.

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

Return on total capital: Profit after financial items plus financial costs² in relation to average total assets.

Revenue growth¹: Revenue in the period in relation to the previous period's revenue.

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

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

The Interim Report January-March 2017 refers to non-IFRS measures that Enea that other parties use to evaluate Enea's results of operations. These measures provide management and investors with significant information to analyse trends in the company's business operations. These non-IFRS measures are intended to complement, but not replace, financial measures presented in accordance with IFRS.

1. Reconciliation of revenue growth

	Jan-Mar		Full year
	2017	2016	2016
Revenue, SEK million	141.0	120.8	501.3
Revenue growth, %	17	3	4
Revenue growth currency adjusted, %	15	3	3
SEK million			
Revenue growth based on unchanged exchange rates compared with the previous year	17.7	2.9	14.4
Currency adjustment revenue growth	2.4	0.5	5.4
Reported revenue growth	20.1	3.4	19.8
%			
Revenue growth based on unchanged exchange rates compared with the previous year	15	3	3
Currency adjustment revenue	2	0	1
Reported revenue growth	17	3	4

2. Reconciliation of financial net

	Jan-Mar		Full year
	2017	2016	2016
Financial income, SEK million	4.9	3.7	18.6
Financial expenses, SEK million	-5.0	-2.8	-13.4
Reported financial net, SEK million	-0.1	0.9	5.2

Technology Insight

Data and network security

Network security is a growing global market as a result of the constant increase in attacks, new threats and the increasingly harmful effects of cyberattacks on businesses, public authorities and citizens. This means that Enea's Qosmos division is experiencing growing demand for its Deep Packet Inspection (DPI) software.

At present, one third of Enea's Qosmos customers are security specialists, although this proportion is rising steadily. These suppliers use Qosmos ixEngine DPI in their products to generate detailed data traffic analytics, reduce development cycles and improve functionality.

Qosmos' typical network security customers include suppliers of Next Generation Firewalls (NGFW), Security Information and Event Management (SIEM), security analytics, malware protection and Data Loss Prevention (DLP). Qosmos enables these security specialists to focus development resources on building strong security products, without having to worry about DPI technology.

For more information:

<http://www.enea.se/products/network-intelligence/>





The share

January - March 2017

Share price development:	-6,82 %
No. of traded shares:	1,408,379
Highest closing price:	114.50 SEK
Lowest closing price:	75.00 SEK
Dividend 2017*	2.00 SEK
Market cap. (31 Mar):	1,585 SEK million
Total No. of shares (31 Mar):	17,864,231

* Proposal to the AGM in 2017, through an automatic redemption program.

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Financial information

Annual General Meeting	9 May, 2017
Interim report Apr-Jun	19 July, 2017
Interim report Jul-Sep	24 October, 2017
Annual statement	8 February, 2018

All financial information is published at Enea's website
<http://www.enea.com/investors/overview/>

Financial reports can also be ordered from
Enea AB, P.O. Box 1033, SE-164 21 Kista, Sweden
or by e-mail: ir@enea.com

This report contains forward-looking statements that are based on the current expectations of the management of Enea. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors. This document is essentially a translation of Swedish language original thereof. In the event of any discrepancies between this translation and the original Swedish document the latter shall be deemed correct.