

Interim report April-June 2018

Sharp increase in operating profit and earnings per share

Second quarter 2018

- Revenue in the second quarter was SEK 213.4 (148.5) million, equivalent to a 44 percent increase.
- Operating profit excluding non-recurring costs for the second quarter increased to SEK 45.9 (31.1) million, corresponding to an operating margin excluding non-recurring costs of 21.5 (20.9) percent.
- Operating profit for the second quarter increased to SEK 44.0 (22.6) million, equivalent to an operating margin of 20.6 (15.2) percent.
- Earnings per share increased to SEK 1.83 (0.96) for the second quarter.
- Cash flow from operating activities was SEK 95.2 (38.1) million for the quarter.
- Cash and cash equivalents and financial investments amounted to SEK 220.6 (260.2) million at the end of the quarter.

First six months of the year

- Revenue for the first six months of the year increased to SEK 383.6 (291.2) million.
- Operating profit excluding non-recurring costs for the first six months of the year increased to SEK 81.1 (58.5) million, corresponding to an operating margin excluding non-recurring costs of 21.1 (20.1) percent.
- Operating profit for the first six months of the year increased to SEK 71.0 (47.8) million, equivalent to an operating margin of 18.5 (16.4) percent.
- Earnings per share increased to SEK 2.77 (2.22) for the first six months of the year.
- Cash flow from operating activities was SEK 103.1 (68.5) million for the first six months of the year.

Key figures	Apr-Jun		Jan-Jun		Full year 2017
	2018	2017	2018	2017	
Revenue, SEK million	213.4	148.5	383.6	291.2	588.4
Revenue growth, %	44	20	32	19	17
Revenue growth currency adjusted, %	44	17	33	16	17
Operating profit excluding non-recurring costs, MSEK	45.9	31.1	81.1	58.5	134.5
Operating profit, SEK million	44.0	22.6	71.0	47.8	102.8
Operating margin excluding non-recurring costs,%	21.5	20.9	21.1	20.1	22.9
Operating margin, %	20.6	15.2	18.5	16.4	17.5
Net profit after tax, SEK million	35.4	16.9	53.6	37.9	82.5
Earnings per share, SEK	1.83	0.96	2.77	2.22	4.69
Cash flow from operating activities, SEK million	95.2	38.1	103.1	68.5	116.6
Cash, cash equivalents and financial investments, SEK million	220.6	260.2	220.6	260.2	414.3

CEO letter

“...we combine focused organic improvements with strategic acquisitions to create a stronger and more well-positioned company...”



A new record quarter

In many ways, the past quarter was one of the best in Enea's history. We reported higher operating profit than ever before. We reported higher earnings, in absolute terms and per share, than ever before, and Enea achieved the highest cash flow ever in a single quarter. We also set new records in terms of growth—revenue grew by 44 percent on the corresponding quarter of the previous year, and operating profit including non-recurring costs was up by as much as 95 percent on the corresponding quarter of the previous year.

Even if these record figures are largely due to the acquisition we completed at the end of the first quarter, this doesn't take away from the fact that the past quarter was one of the most profitable and successful the company has ever had. This is a direct result of our long-term work where we combine focused organic improvements with strategic acquisitions to create a stronger and more well-positioned company generating growing value for our owners.

A new Enea

Together, the two major acquisitions we have executed in the past two years have helped take Enea to a new level, and in some respects, it is a new Enea that is now emerging. Openwave Mobility enabled the product group we designate as Network Solutions to advance and become not only our fastest-growing, but also our largest, product area. In the second quarter, this area represented 51 percent of our total revenues, up from 30 percent in the corresponding period of the previous year. These acquisitions also mean our dependency on individual Key Accounts is continuing to reduce. At present, these sales make up 28 percent of total revenue, against 44 percent in the second quarter of the previous year. It's worth noting that during the quarter, we finally closed an agreement with the major customer that had previously implemented a unilateral price reduction, against the terms of our contract. The agreement means that Enea receives full payment according to contract, and clarifies the method of calculating future royalties. It is furthermore positive that we were able to reach another new agreement with the same customer for continued usage of Enea's real-time operating systems in the customer's 5G solutions. Despite this positive news, the long-term trend remains where the market for our operating system solutions are facing a growing presence of open source and where business with our largest customer continues to decline.

In a situation where traditional operating systems and other proprietary hardware-related software is levelling off, it will become easier for us to find growth with good margins higher up the software stack. Apart from operating system solutions, we now have a new flagship in our product portfolio, focusing on the management of mobile data traffic generally, and mobile video traffic in particular. Streamed video now makes up the majority of all mobile data traffic, and many of us keep an eye on the FIFA World Cup in our mobile devices this summer. Over a longer timeframe, this transformation is dramatic; for example, at the 2018 World Cup, there were twice as many mobile users streaming video than at the 2014 tournament in Brazil. These exploding traffic volumes present critical challenges for mobile operators—managing growing traffic volumes while simultaneously enhancing user experience and maintaining customer satisfaction with existing infrastructure. This is where the solutions for traffic management we acquired with Openwave Mobility play a key role. Our solutions for mobile traffic management help world-leading

mobile operators maximize the utilization of mobile networks, while simultaneously limiting traffic peaks and optimizing user experiences for subscribers. Enea has been focusing on data communications and networking solutions ever since we were founded 50 years ago, and with the latest enhancements of our product portfolio, we take a major strategic step to address what is today's major challenges in mobile data communication.

The Network Solutions area also includes Enea's traffic classification and deep packet inspection solutions, where we were able to present a new, major deal in cyber security in the quarter. Additionally, we launched a new generation of our probe solution for cyber security, which captures detailed traffic information in real-time for next-generation security systems. At the world's largest cyber security trade show, we also presented a new partnership with Zyxel, who will be integrating and utilizing Enea's traffic classification software. In tandem with our traffic management product portfolio, traffic classification and cyber security are some of the growth engines of the new Enea that is emerging.

Just as in the first quarter, our Global Services business also progressed well. Revenue was up by 18 percent on the corresponding quarter of the previous year. Progress in Europe, with new customers and improved pricing, coupled with stabilization in the US, is the foundation of this growth. The global service business represented 17 percent of quarterly revenue, which is a significant change compared with the corresponding number of 31 percent, 24 months ago. This change is due to the acquired companies' high share of software revenues and is clearly positive for our gross margins.

Future prospects

Even if Enea shareholders can be pleased with the quarter we completed, one should also be aware that our business does vary between quarters, and that these variations have increased somewhat with the acquisitions we now have completed. The acquired entities have a higher percentage of new business, where individual contracts may be substantial, and with varying levels of repeat revenues.

We will be relentlessly continuing our efforts to build a larger and stronger company, delivering increasing value for customers, employees and shareholders. We are expecting to see growth in our new product areas, while sales to our largest customer remain in decline. The transformation we are undergoing is positive for Enea, with less dependence on a single major product and a few Key Accounts. Acquisitions that strengthen our market positioning and long-term earnings capacity are an important part of this process, and despite our expectation of lower revenues from Key Accounts, our objective is still to keep growing the company with good profitability and healthy cash flows.

Our objective for the full year 2018, to achieve revenue growth and improved operating profit over 2017, remain.

**Anders Lidbeck,
CEO & President**

Revenue

Enea's revenue in the second quarter amounted to SEK 213.4 (148.5) million, a 44 percent increase on the second quarter 2017. Currency adjusted, revenue was up 44 percent in the second quarter year over year. Revenue for the first six months of the year amounted to SEK 383.6 (291.2) million.

Revenue by business unit and type

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

Key Accounts and Worldwide Software Sales jointly make up Enea's software business, which generated 83 percent of total revenue in the quarter, divided between Key Accounts at 28 percent and Worldwide Software Sales at 55 percent. Revenue from Worldwide Software Sales were up by 137 percent year over year. This increase was mainly due to the acquisition of Openwave Mobility. Revenues from Key Accounts decreased by 12 percent.

Global Services include service sales not directly related to software sales. Global Services' revenue was 17 percent of total revenue in the quarter, and was up by 18 percent year over year.

Revenue by market segment

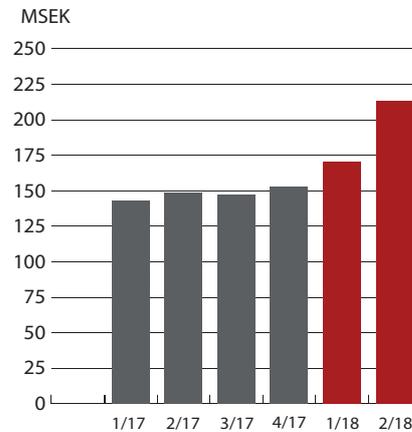
Effective the first quarter 2018, Enea has the following market segments: Telecom/OEMs, Telecom/Operators, Security, Aerospace/Defense and Other.

The company has decided to divide its former Network/Telecom sector into two, Telecom/ OEMs and Telecom/Operators. Enea already makes smaller sales to telecom operators, reported in the Network/Telecom segment.

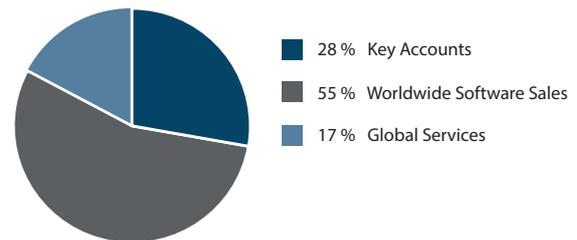
The division is a result of the acquisition of Openwave Mobility, which increases the company's revenue from telecom operators. Sales to customers in the Telecom/Operators segment are mainly from Openwave Mobility, and Enea's Global Services business. The Security segment includes cyber security solutions.

Revenue in the quarter was divided as follows: Telecom/OEMs 37 percent, Telecom/Operators 34 percent, Security 12 percent, Aerospace/Defense 5 percent and Other 12 percent. The "Other" market segment includes for example customers in system integration and manufacturing.

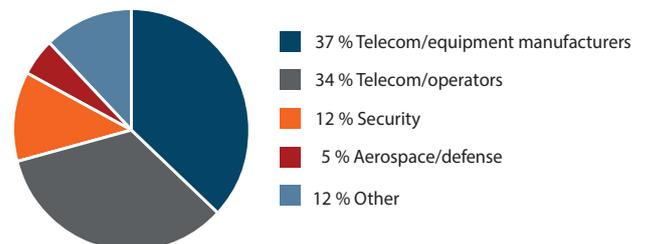
Revenue



Revenue per business unit (Apr-Jun)



Revenue per market segment (Apr-Jun)



Revenue per region

Enea has sales offices in Sweden, Germany, France, Romania, the US, China, Japan and Singapore, which has its customer base in the EMEA, America and Asia regions.

EMEA

The Europe region was renamed EMEA effective the first quarter 2018 to include sales to customers in the Middle East and Africa. The EMEA region includes customers like Ericsson and Nokia. Sales are from our offices in Sweden, Germany, Romania, France and the US, and consist of Key Accounts, Worldwide Software Sales and Global Services. Revenue in EMEA increased by 11 percent in the quarter year over year. Both Worldwide Software Sales and the European service operation made stable progress in the quarter.

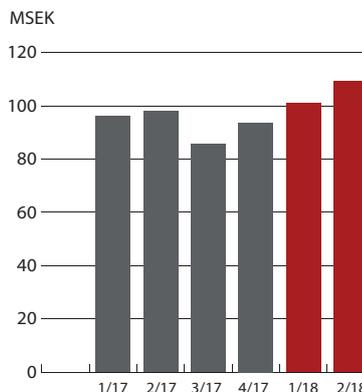
America

The America region includes software and services sales. Software sales are within Worldwide Software Sales (now including Openwave Mobility) to customers such as Motorola. Service sales are mainly in global services to customers like Boeing. Revenue increased by 72 percent in the quarter year over year. The increase relates to the acquisition of Openwave Mobility.

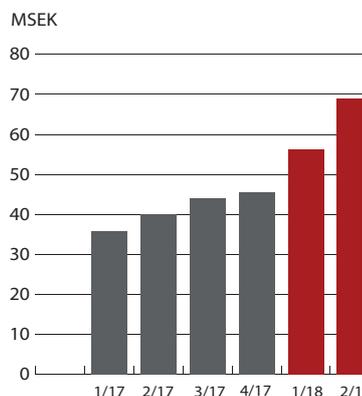
Asia

The Asia region includes customers such as Fujitsu and Hytera, and is managed from offices in China, Japan and Singapore. Sales consist of Worldwide Software Sales, and to a lesser extent, Key Accounts. Revenue increased by 234 percent year over year. The increase is mainly sourced from Openwave Mobility.

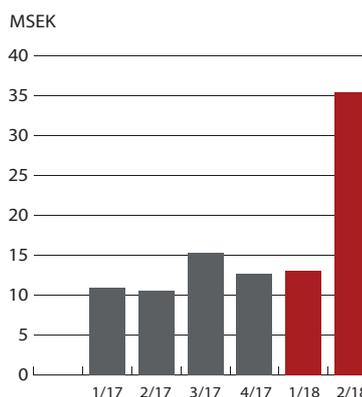
Revenue EMEA



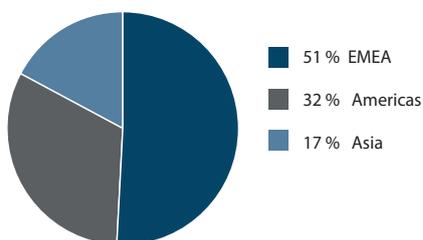
Revenue Americas



Revenue Asia



Revenue per region (Apr-Jun)



Revenue per product group

Enea's products and services are divided into three major groups: **Operating System Solutions** that include Enea OSE, Enea Linux, and Enea OSEck. **Network Solutions** includes Qosmos IxEngine, Enea NFV Core, Enea NFV Access, Openwave Mobility Traffic Management and Openwave Mobility Cloud Data Management. Global service sales are reported in the **Global Services** 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 of telecom equipment, for example. Development tools are used to develop software that runs on Enea's operating systems and are usually sold bundled with the operating system. Operating systems and tools are reported jointly.

Operating systems accounted for 31 percent of revenues in the quarter. Sales decreased in the quarter compared to the corresponding quarter of the previous year.

Network Solutions

The focus of Network Solutions is network communication, and this group includes the device and network management, network virtualization and network intelligence product areas.

Sales in Network Solutions increased significantly in the quarter due to the acquisition of Openwave Mobility. This product group provided 51 percent of Enea's total sales in the quarter, and is of growing strategic significance to Enea.

Global Services

Enea's Global Services sales increased on the corresponding quarter of the previous year, accounting for 17 percent of Enea's total sales.

Other

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

Enea's offering

Enea OSE, Enea Linux, Enea OSEck – embedded operating systems with focus on performance and scalability

Global Services – expert services within design, development, project management, training, and quality assurance

Qosmos IxEngine – traffic classification (deep packet inspection) software which is an important building block in solutions for cyber security and traffic optimization

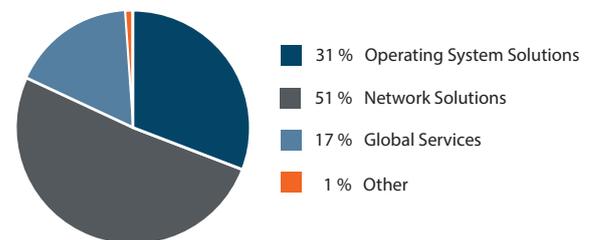
Enea NFV Core – open source based platform for virtualized network infrastructure

Enea NFV Access – virtualization platform focusing on devices at the edge of the network

Openwave Mobility Traffic Management – mobile traffic management solutions that help operators optimize and monetize network traffic

Openwave Mobility Cloud Data Management – solutions for managing subscriber information and user data in mobile networks

Revenue per product group (Apr-Jun)



Costs

Costs of goods and services sold

Costs of goods and services sold comprise costs that relate directly to delivery of the company's production licenses, development licenses including support and maintenance, product-related services 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 including acquired product rights and customer contracts, as well as capitalized product development expenses as cost of goods and services sold. Amortization was SEK 8.3 (4.3) million in the second quarter, and SEK 14.0 (8.1) million for the first six months of the year. Direct costs attributable to license sales normally comprise less than 10 percent of the sales price, while costs for product-related and Global Services normally amount to between 60 and 80 percent of the sales price.

In the second quarter 2018, costs of goods and services sold were SEK 58.5 (42.0) million, and SEK 105.9 (81.7) million for the first six months of the year.

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. Sales and marketing costs were SEK 47.4 (35.2) million in the second quarter, or 22.2 (23.7) percent of revenue in the quarter. For the first six months of the year, sales and marketing costs were SEK 84.6 (70.8) million, or 22.1 (24.3) percent of revenue. Restructuring costs for the second quarter, and the first six months of the year, amounted to SEK 1.6 (2.7) million.

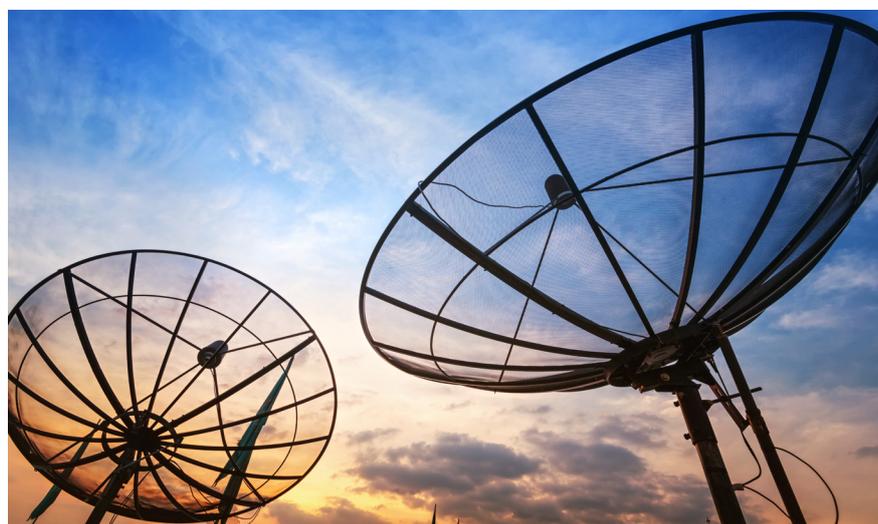
Product development costs

Product development costs consist of direct and indirect costs associated with management, development and testing of the company's software products, such as personnel costs and costs for development tools and IT environments. A proportion of the company's product development costs for new software product development is capitalized in the Balance Sheet, and is normally amortized over 60 months.

Total R&D investments in the second quarter 2018 were SEK 53.0 (34.0) million, of which product development costs recognized in the Income Statement were SEK 36.7 (26.1) million, corresponding to 17.2 (17.6) percent of revenue in the quarter. For the first six months of the year, investments were SEK 92.3 (68.8) million, of which product development costs recognized in the Income Statement amounted to SEK 64.3 (49.5) million, which is 16.8 (17.0) percent of revenue. In the second quarter, SEK 16.2 (7.9) million of product development costs were capitalized, with SEK 28.0 (19.4) million capitalized for the first six months of the year. The increase in capitalized product development costs mainly related to the acquisition of Openwave Mobility. Restructuring costs for the second quarter and the first six months of the year amounted to SEK 0 (1.1) million.

Administration costs

Administration costs comprise costs of management, the Board of Directors and Accounting function, including internal and external legal expenses and audit fees. In the second quarter, administration costs were SEK 26.7 million, compared to SEK 22.6 million for the corresponding quarter of the previous year, or 12.5 (15.2) percent of revenue in the quarter. For the first six months of the year, administration costs were SEK 57.8 (41.4) million, which is 15.1 (14.2) percent of revenue. Costs for legal consulting relating to a major dispute amounted to SEK 0 (3.7) million in the second quarter, and SEK 0.1 (5.9) million for the first six months. Restructuring costs for the second quarter and the first six months of the year were SEK 0 (0.9) million. Transaction costs relating to acquisitions amounted to SEK 0.3 (0) million for the second quarter and SEK 8.3 (0) million for the first six months of the year.



Profit & Loss, Cash Flow, Investments & Financial Position

Profit & loss

The group's operating profit excluding non-recurring costs amounted to SEK 45.9 (31.1) million in the second quarter, which corresponds to an operating margin excluding non-recurring costs of 21.5 (20.9) percent. Operating profit excluding non-recurring costs for the first six months increased to SEK 81.1 (58.5) million, equating to an operating margin excluding non-recurring costs of 21.1 (20.1) percent.

The group's operating profit was SEK 44.0 (22.6) million in the second quarter, which corresponds to an operating margin of 20.6 (15.2) percent. For the first six months of the year, operating profit increased to SEK 71.0 (47.8) million, equivalent to an operating margin of 18.5 (16.4) percent. Currency effects exerted a marginal impact on profit. The gross margin for the second quarter was 72.6 (71.7) percent, and 72.4 (71.9) percent for the first six months of the year.

The financial net for the second quarter amounted to SEK -6.6 (-2.8) million, and SEK -13.9 (-2.8) million for the first six months of the year. Profit after tax amounted to SEK 35.4 (16.9) million for the quarter, and SEK 53.6 (37.9) million for the first six months of the year. Earnings per share were SEK 1.83 (0.96) for the second quarter, and SEK 2.77 (2.22) for the first six months of the year. Without adjusting for holdings of treasury shares, earnings per share were SEK 1.80 (0.94) for the quarter, and SEK 2.73 (2.12) for the first six months of the year.

Cash Flow

Cash flow from operating activities was SEK 95.2 (38.1) million for the second quarter, and SEK 103.1 (68.5) million for the first six months of the year. Total cash flow amounted to SEK 77.0 (-86.8) million for the second quarter, and SEK -97.2 (-24.3) million for the first six months of the year. Cash flow from changes in working capital varies between

quarters, for reasons including the timing of major payments, and was positively impacted by the payment of previously disputed accounts receivable in the quarter.

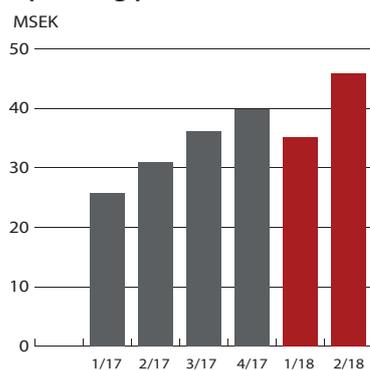
Investments

The group's investments amounted to SEK 38.4 (8.1) million in the second quarter, and SEK 771.7 (22.2) million for the first six months of the year. Depreciation and amortization amounted to SEK 10.2 (5.8) million for the quarter, and SEK 17.4 (10.9) million for the first six months of the year. Enea capitalized SEK 16.2 (7.9) million of product development expenses for the second quarter, and SEK 28.0 (19.4) million for the first six months of the year. Amortization of capitalized product development expenses in the second quarter amounted to SEK 4.7 (3.5) million, and SEK 8.5 (6.2) million for the first six months of the year.

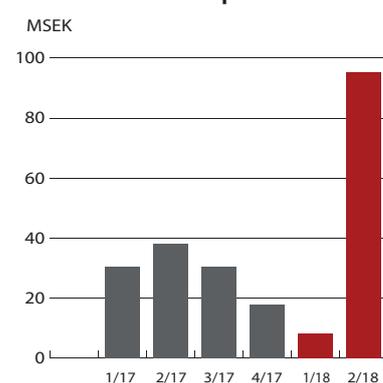
Financial position

Cash and cash equivalents and financial investments were SEK 220.6 (260.2) million at the end of the quarter, of which financial fixed assets with maturities of more than one year amounted to SEK 0.0 (40.8) million. Total interest-bearing liabilities were SEK 589.6 (133.0) million at the end of the quarter, divided between long-term interest-bearing liabilities of SEK 554.9 (99.0) million, and current interest-bearing liabilities of SEK 34.7 (34.0) million. Enea's equity ratio was 46.2 (55.1) percent. Total assets amounted to SEK 1 947.7 (1 022.2) million at the end of the quarter. Enea's net debt was SEK 480.6 million at the end of the quarter, and the net cash position was SEK 22.8 million at the end of the quarter 2017.

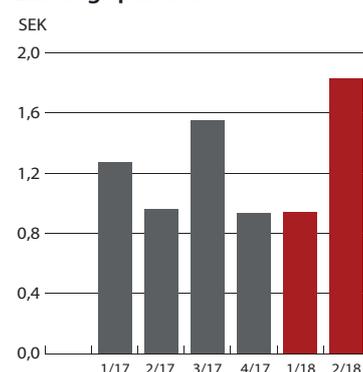
Operating profit excl. non-recurring costs



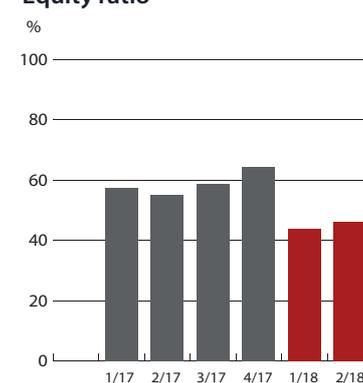
Cash flow from operations



Earnings per share



Equity ratio



Employees, Repurchasing of Treasury Shares, Parent Company, and Annual General Meeting

Employees

At the end of the quarter, the group had 594 (471) employees, an increase of 123 on the corresponding quarter of the previous year. The increase is sourced from the acquisition of Openwave Mobility.

Repurchase of treasury shares

Enea repurchased 0 shares in the second quarter. Enea's holding of treasury shares at the end of the quarter amounted to 314,760 shares, corresponding to 1.6 percent of the total number of shares.

Parent company

The parent company's revenue for the first six months of the year amounted to SEK 24.9 (30.2) million and profit/loss before appropriations and tax amounted to SEK -1.1 (35.9) million. The financial net of the parent company was SEK -1.1 (35.9) million, and at the end of the quarter, cash and cash equivalents and financial investments amounted to SEK 110.1 (128.3) million. The parent company's investments in the quarter amounted to SEK 0.6 (0.0) million. The parent company had 9 (12) employees at the end of the quarter. The parent company does not conduct its own operations and its risks primarily relate to the operations of subsidiaries.

Annual General Meeting

Enea's Annual General Meeting (AGM) 2018 was held at 4:30 p.m. on Tuesday 8 May at Kista Science Tower, Färögatan 33, Kista, Sweden.

The AGM resolved

- To re-elect Anders Skarin as Chairman of the Board. Kjell Duveblad, Mats Lindoff, Torbjörn Nilsson, Åsa Sundberg and Gunilla Fransson were re-elected as Board members. Öhrlings PricewaterhouseCoopers AB was elected as auditor.
- To authorize the Board of Directors to decide on the purchase and transfer of treasury shares.
- To authorize the Board of Directors to decide on a new issue of shares to finance continued growth and expansion.
- To approve the Board of Directors' proposal involving the adoption of a long-term share-based incentive program 2018 and the transfer of repurchased shares to participants in the program.

The Annual Report and other documentation is available at Enea's website, www.enea.com



Other

Financial assets and liabilities

The group applies IFRS 13. This standard requires disclosures regarding uncertainty in 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 maturity 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 5.2 million as of 30 June 2018, 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 at 30 June 2018 amounts to SEK 13.0 million, and a liability fixed purchase price for Qosmos of SEK 104.2 million. Estimated fair value is consistent with carrying amount. No transfers between levels occurred in the period. For other financial assets and liabilities, carrying amount is consistent with fair value.

Allocation by level in valuation at fair value, 2018-06-30, SEK million	Level 1	Level 2	Level 3	Total
Derivative instruments used for hedging purposes				
Currency derivatives	-	5.2	-	5.2
Financial liabilities at fair value through profit or loss				
Debt conditional purchase price, short-term	-	-	13.0	13.0
Debt settlement, short-term	-	-	104.2	104.2
Total	0	5.2	117.2	122.4

No transfers between levels occurred in the period. For other financial assets and liabilities, carrying amount is consistent with fair value.

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.

New accounting policies for 2018 and 2019

IFRS 15 Revenue from Contracts with Customers: this standard is based on principles and specifies how and when revenue should be recognized and requires more detail disclosures on the entity's revenue streams. Enea is applying IFRS 15 effective 1 January 2018 with full retroactivity and restatement for comparative periods.

This new Standard entails a change in the revenue recognition of time-finite software licenses. In the accounts, the effect is that these license revenues will be reported over time rather than, as according to IAS 18, revenue recognition once per year.

Non-time finite revenue from software licenses, service revenue, royalties, support and maintenance are already reported in a way that does not involve any change of policy.

The translation effect from year 2017 revenue to the new standard will involve a cumulative reduction of revenues of SEK 1 million, and that opening equity for 2017 reduces by SEK 5 million.

The transition effect on Enea's Consolidated Balance Sheet will be quantified in the following transition:

SEK million	Assets	Equity	Liabilities
Amounts pursuant to earlier accounting policies 1 January 2018	1 172	760	412
Restatement resulting from IFRS 15	2	-6	8
Amounts according to new accounting policies 1 January 2018	1 174	754	420

IFRS 9 Financial Instruments: the primary effect of the standard is a partly new process for bad debt, which is based on expected, instead of actual, bad debt. Enea has applied the transition proactively, considering historical bad debt over a business cycle, and accordingly is able to conclude that the new standard will not have any material effect on the consolidated accounts.

IFRS 16 Leases: comes into effect from 2019, and requires assets and liabilities relating to all lease arrangements, with a few exceptions, to be recognized in the Balance Sheet. This recognition is based on the view that the lessee has a right to use an asset for a specific period of time and a simultaneous obligation to pay for that right. IFRS 16 replaces IAS 17 Leases and the associated interpretation statements IFRIC 4, SIC-15 and SIC-27.

The Standard is applicable to financial years beginning 1 January 2019 or later, and the company will not be using prospective adoption. This Standard is endorsed by the EU. The standard will primarily affect recognition of the group's operating leases. The present value of lease obligations will be measured and reported as a non-current asset or corresponding interest-bearing liability in the Balance Sheet. In the Income Statement, lease payments will be replaced with depreciation and interest expenses. This change means that total assets and operating profit will increase, which will affect various key indicators. Enea has initiated a project to review the group's lease arrangements. The impacts on the Balance Sheet and Income Statement have not yet been quantified.

Other

Acquisition of Openwave Mobility

On March 15, Enea Software AB acquired 100% of the capital and votes of the US company Openwave Mobility Inc, with a purchase price of SEK 748 519 TSEK. Openwave Mobility has a leading position in traffic management in the fast-growing area of video traffic over the internet.

The acquisition means that Enea is expanding its offer and its addressable market as well as moving upwards in the value chain. The companies will be consolidated from March 1, and the operations will be integrated into the product group "Network Solutions". The acquisition is expected to have a positive impact on the Group's earnings in 2018. For the period April-June 2018, Openwave Mobility reported a turnover of 8.0 MUSD and an operating profit of 1.9 MUSD and for the January-June period, Openwave Mobility reported on a pro forma basis a turnover of 14, 1 MUSD and operating profit of 2.4 MUSD.

The acquisition is funded through cash and a bond loan of SEK 500 million. The goodwill item is not tax deductible and is expected to be attributable to expected profitability, completion of product portfolio and expected synergy effects. The financial impact of this transaction is shown below. Acquisition analysis of fair value adjustment of product rights, short-term receivables and short-term liabilities is preliminary up to twelve months after acquisition date.

Purchase price	SEK thousand
Summary of paid purchase price:	
Cash and cash equivalents	748 519
Total paid purchase price	748 519

During the second quarter of 2018, the value of product rights has been adjusted by MSEK 13.4, deferred tax liability of MSEK -3.4 and goodwill by -10.0 MSEK.

The carrying amounts (fair values) of identifiable assets and liabilities taken over of Openwave Mobility Inc. and subsidiaries as of the acquisition date:

	Fair value reported in the Group SEK thousand
Trademark	11 315
Product Rights	27 775
Customer agreement	54 499
Tangible fixed assets	6 642
Other long-term receivables	306
Current receivables	108 634
Liquid funds	9 198
Other provisions	-4 458
Deferred tax liability	-21 391
Long-term liabilities, interest-bearing	-174
Long-term liabilities, non-interest bearing	-662
Current liabilities, non-interest bearing	-89 519
Net identifiable assets and liabilities	102 164
Group Goodwill	646 355
Consolidated acquisition value	748 519

Acquisition-related expenses

Acquisition related expenses of SEK 8,346,000 are included in administrative costs in the Consolidated Income Statement for 2018.

Events after reporting period

On July 6, Enea announced that Björn Westberg has been appointed new CFO of Enea. Access will take place in early December 2018.

Risks, Target Compliance, Dividend & Outlook

Material risks and uncertainty factors

Dependency on Key Accounts is decreasing, but remains high. These customers accounted for some 28 percent of the group's revenues in the quarter. During the second quarter of 2017, Enea reported on a unilateral price reduction by one of the company's large customers. On 5 June 2018, Enea announced that it had reached a settlement of full payment of SEK 24 million, which fully covers the discrepancy between the contracted price and the unilateral price reduction.

In the first quarter, Enea issued a senior bond of SEK 500 million with interest of Stibor 3M +5.25 percent, maturing in March 2021. The bond includes covenants regarding net debt/ EBITDA, all of which were satisfied as of 30 June 2018.

Because there were no other significant changes to material risks and uncertainties in the quarter, the reader is referred to the review on pages 16-17 of the most recent Annual Report.

In the fourth quarter 2016, Enea financed acquisitions through a SEK 150 million bank loan. The loan is being 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 30 June 2018. The remaining liability as of 30 June 2018 amounted to SEK 99 million.

Long-term ambition

The ambition over a three-year period commencing 2016 is to continue to develop a global software company with higher revenue, sustainable high profitability and good cash flows. Enea will focus on organic growth, but will continuously screen strategic and complementary acquisitions.

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.

In 2018, we will also continue our endeavor to build a larger and stronger company that delivers growing values for customers, employees and shareholders. The transformation process we are going through is positive for Enea, reducing our dependency on a single product and a cluster 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 keep growing the company with good profitability and sound cash flow. To enable, and be well prepared for this type of acquisition, the Board will not be proposing any dividend for 2017.

Outlook for 2018

Our objective for the full year 2018, to achieve revenue growth and improved operating profit over 2017, remain.

Kista, Sweden, July 19, 2018
Board of Directors

*This Interim Report has not been subject
to review by the company's auditor.*

The Board of Directors' assurance

The Board and CEO of Enea AB assure that this Half-year Interim Report gives a true and fair view of the parent company's and group's operations, financial position and results of operations, and covers material risks and uncertainty factors affecting the parent company and companies within the group.

Kista, July 19 2018
Enea AB (556209-7146)

Anders Skarin
Chairman of the Board

Kjell Duveblad
Board member

Mats Lindoff
Board member

Torbjörn Nilsson
Board member

Åsa Sundberg
Board member

Gunilla Fransson
Board member

Johan Carlsson
Employee representative

Anders Lidbeck
President and CEO

Consolidated statement of comprehensive income

SEK million	Apr-Jun		Jan-Jun		12 months	Full year
	2018	2017	2018	2017	Jul-Jun	2017
Revenue	213.4	148.5	383.6	291.2	680.8	588.4
Cost of sold products and services	-58.5	-42.0	-105.9	-81.7	-190.5	-166.3
Gross profit	154.8	106.5	277.8	209.5	490.3	422.0
Sales and marketing costs	-47.4	-35.2	-84.6	-70.8	-139.4	-125.6
R&D costs	-36.7	-26.2	-64.3	-49.5	-111.9	-97.1
General and administration costs	-26.7	-22.6	-57.8	-41.4	-113.0	-96.6
Operating profit ^{1,2,3}	44.0	22.6	71.0	47.8	126.0	102.8
Financial net	-6.6	-2.8	-13.9	-2.8	-16.2	-5.2
Profit before tax	37.4	19.8	57.2	45.0	109.8	97.6
Tax	-2.0	-3.0	-3.5	-7.0	-11.6	-15.1
Net profit for the period	35.4	16.9	53.6	37.9	98.2	82.5
OTHER COMPREHENSIVE INCOME						
<i>Items that may be reclassified to profit or loss</i>						
Change in hedging reserve, after tax	0.0	1.5	-2.6	1.9	-4.5	-0.1
Currency translation differences	62.1	2.2	93.3	0.1	98.7	5.5
<i>Items that will not be reclassified to profit or loss</i>						
Pension obligations	0.0	-0.1	0.1	-0.1	1.0	0.7
Total comprehensive income for the period, net of tax	97.6	20.4	144.5	39.7	193.4	88.7
Profit for the period attributable to the shareholders of the Parent Company	35.4	16.9	53.6	37.9	98.2	82.5
Comprehensive income for the period attributable to the shareholders of the Parent Company	97.6	20.4	144.5	39.7	193.4	88.7
1) incl. depreciation of tangible assets	1.8	1.2	3.2	2.4	5.6	4.8
2) incl. amortization of intangible assets	8.4	4.6	14.2	8.5	23.8	18.1
3) Non-recurring expenses included in operating profit						
Operating profit, including non-recurring costs	44.0	22.6	71.0	47.8	126.0	102.8
Restructuring costs	-1.6	-4.7	-1.6	-4.7	-1.9	-5.0
Legal costs	0.0	-3.7	-0.1	-5.9	-20.9	-26.7
Transaction costs related to larger acquisitions	-0.3	-	-8.3	-	-8.3	-
Operating profit, excluding non-recurring costs	45.9	31.1	81.1	58.5	157.1	134.5

Key figures related to the income statement

	Apr-Jun		Jan-Jun		12 months	Full year
	2018	2017	2018	2017	Jul-Jun	2017
Earnings per share (SEK) ¹	1.83	0.96	2.77	2.22	5.25	4.69
Earnings per share after full dilution (SEK)	1.83	0.96	2.77	2.22	5.25	4.69
Number of shares before dilution (million)	19.3	17.5	19.3	17.1	18.7	17.6
Number of shares after dilution (million)	19.3	17.5	19.3	17.1	18.7	17.6
Revenue growth (%)	44	20	32	19	24	17
Gross margin (%)	72.6	71.7	72.4	71.9	72.0	71.7
Operating costs in % of revenue						
- Sales and marketing costs	22.2	23.7	22.1	24.3	20.5	21.3
- R&D costs	17.2	17.6	16.8	17.0	16.4	16.5
- General and administration costs	12.5	15.2	15.1	14.2	16.6	16.4
Operating margin excluding non-recurring costs (%)	21.5	20.9	21.1	20.1	23.1	22.9
Operating margin (%)	20.6	15.2	18.5	16.4	18.5	17.5

1) Excluding Enea's treasury shares

Consolidated statement of financial position

<i>SEK million</i>	30 Jun 2018	30 Jun 2017	31 Dec 2017
ASSETS			
Intangible assets	1 364.2	511.4	522.2
- of which goodwill	1 147.0	419.9	424.2
- of which capitalized development costs	80.3	50.9	58.9
- of which other intangible assets	48.7	20.9	20.0
- of which product rights	65.0	9.2	8.7
- of which customer agreements	22.3	9.3	9.4
- of which other intangible assets	0.9	1.3	1.0
Inventories, tools and installations	17.1	10.5	9.6
Deferred tax assets	21.2	25.5	21.4
Other fixed assets	2.4	2.7	2.7
Financial assets held for sale, non-current	-	40.8	62.1
Total fixed assets	1 404.8	590.9	617.9
Current receivables	322.2	211.9	203.6
Financial assets held for sale, current	-	20.0	40.2
Cash and cash equivalents	220.6	199.4	312.0
Total current assets	542.8	431.3	555.9
Total assets	1 947.7	1 022.2	1 173.8
EQUITY AND LIABILITIES			
Equity	900.8	563.1	754.2
Other provisions	14.2	10.1	9.6
Long-term liabilities			
Deferred tax liabilities	65.2	38.6	41.8
Long-term liabilities, interest-bearing	554.9	99.0	82.0
Long-term liabilities, non-interest-bearing	-	110.3	110.4
Total long-term liabilities	620.1	247.9	234.2
Current liabilities			
Current liabilities, interest bearing	34.7	34.0	34.0
Current liabilities, non-interest bearing	377.9	167.1	141.8
Total current liabilities	412.6	201.1	175.8
Total equity and liabilities	1 947.7	1 022.2	1 173.8

Consolidated statement of changes in equity

<i>SEK million</i>	30 Jun 2018	2017	Full year 2017
At beginning of period	754.2	422.9	422.9
Correction of opening balance regarding IFRS 15	-0.4	-5.4	-5.4
Total comprehensive income for the period	144.5	39.7	88.7
Dividend / Redemption program	-	-35.1	-35.1
New share issue	-	159.6	298.4
Share saving program	2.5	2.5	5.9
Repurchasing of own shares	-	-21.2	-21.2
At end of period	900.8	563.1	754.2

Consolidated statement of cash flows

SEK million	Apr-Jun		Jan-Jun		Full year
	2018	2017	2018	2017	2017
Cash flow from operating activities before change in working capital	41.5	16.8	62.6	39.2	95.9
Cash flow from change in working capital	53.6	21.3	40.5	29.2	20.7
Cash flow from operating activities	95.2	38.1	103.1	68.5	116.6
Cash flow from investing activities	-17.8	-68.3	67.5	-81.9	-139.7
Cash flow from investing activities - from acquisition of business, net	-	-	-739.3	-96.3	-96.3
Cash flow from financing activities, automatic redemption program	-	-35.1	-	-35.1	-35.1
Cash flow from financing activities, raising of loans	-	-	500.0	-	-
Cash flow from financing activities, expense for bond issuance	-0.1	-	-11.3	-	-
Cash flow from financing activities, amortization of loans	-0.2	-	-17.2	-17.0	-34.0
Cash flow from financing activities, settlement of share savings program	-	-21.2	-	-21.2	-21.2
Cash flow from financing activities, new share issue incl. transaction costs	-	-0.2	-	158.8	297.0
Cash flow for the period	77.0	-86.8	-97.2	-24.3	87.2
Cash and cash equivalents at the beginning of period	140.6	285.1	312.0	223.5	223.5
Exchange rate differences in cash and cash equivalents	3.0	1.1	5.8	0.2	1.3
Cash and cash equivalents at end of period	220.6	199.4	220.6	199.4	312.0

Key Figures related to the balance sheet and cash flow

SEK million	Jan-Jun		12 months	Full year
	2018	2017	Jul-Jun	2017
Cash and cash equivalents and financial investments (SEK million)	220.6	260.2	220.6	414.3
Equity ratio (%)	46.2	55.1	46.2	64.3
Equity per share (SEK)	46.59	32.08	46.59	39.00
Cash flow from operating activities per share (SEK)	5.33	3.90	8.08	6.63
Number of employees at end of period	594	471	594	463
Return on equity (%)	-	-	13.4	14.0
Return on capital employed (%)	-	-	11.2	16.3
Return on assets (%)	-	-	8.4	11.1

Parent Company Income Statement

SEK million	Jan-Jun		Full year
	2018	2017	2017
Revenue	24.9	30.2	58.1
Operating costs	-24.9	-30.2	-58.1
Operating profit	0.0	-	-
Net financial income	-1.1	35.9	36.6
Profit after financial net	-1.1	35.9	36.6
Appropriations	-	-	3.7
Profit before tax	-1.1	35.9	40.3
Tax	0.1	-0.2	-1.4
Net profit for the period	-1.0	35.7	38.8

Parent Company Balance Sheet

SEK million	30 Jun		31 Dec
	2018	2017	2017
ASSETS			
Fixed assets	174.2	214.8	235.9
Current assets	988.1	357.0	449.9
Total assets	1 162.3	571.8	685.8
EQUITY AND LIABILITIES			
Equity	549.2	402.9	547.9
Untaxed reserves	5.7	8.5	5.7
Long-term liabilities, interest-bearing	554.9	99.0	82.0
Current liabilities, interest-bearing	34.0	34.0	34.0
Current liabilities, other	18.4	27.4	16.2
Total equity and liabilities	1 162.3	571.8	685.8

Quarterly data*

SEK million	2018		2017			2016				
	q2	q1	q4	q3	q2	q1	q4	q3	q2	q1
INCOME STATEMENT										
Revenue	213.4	170.3	152.0	145.2	148.5	142.7	135.7	120.7	124.1	120.8
Costs of sold prod. and services	-58.5	-47.3	-41.9	-42.7	-42.0	-39.7	-35.6	-37.4	-37.4	-38.2
Gross profit	154.8	122.9	110.0	102.5	106.5	103.0	100.1	83.3	86.7	82.7
Sales and marketing costs	-47.4	-37.3	-27.4	-27.4	-35.2	-35.7	-24.5	-18.1	-22.5	-22.3
R&D costs	-36.7	-27.6	-24.1	-23.5	-26.2	-23.3	-25.4	-22.5	-22.4	-21.1
General and administration costs	-26.7	-31.1	-35.8	-19.4	-22.6	-18.8	-16.8	-13.1	-13.0	-12.4
Operating profit	44.0	27.0	22.8	32.2	22.6	25.2	33.5	29.6	28.8	26.9
Net financial income/expense	-6.6	-7.3	-3.5	1.1	-2.8	-0.1	2.7	-0.0	1.6	0.9
Profit before tax	37.4	19.7	19.3	33.3	19.8	25.1	36.2	29.5	30.4	27.8
Tax	-2.0	-1.5	-1.9	-6.2	-3.0	-4.1	-9.6	-7.0	-6.9	-5.9
Net profit for the period	35.4	18.2	17.5	27.1	16.9	21.1	26.6	22.6	23.5	21.9
Other comprehensive income	62.1	28.7	12.3	-7.9	3.6	-1.8	-12.1	3.6	2.1	-1.2
Total comprehensive income	97.6	46.9	29.7	19.2	20.4	19.3	14.5	26.2	25.7	20.7
BALANCE SHEET										
Intangible assets	1 364.2	1 290.7	522.2	507.4	511.4	505.3	499.2	159.7	159.8	157.2
Other fixed assets	38.2	38.8	31.0	33.2	36.0	33.9	34.4	8.1	8.2	8.3
Other financial fixed assets	2.4	2.9	2.7	2.6	2.7	3.3	6.5	1.1	1.4	1.5
Financial assets held for sale, non-current	-	-	62.1	41.2	40.8	-	-	35.0	35.0	40.1
Current receivables	322.2	360.6	203.6	184.5	211.9	215.8	219.4	150.2	155.8	164.0
Financial assets held for sale, current	-	-	40.2	30.1	20.0	-	-	-	-	-
Cash and cash equivalents	220.6	140.6	312.0	194.2	199.4	285.1	223.5	180.8	161.6	187.7
Total assets	1 947.7	1 833.6	1 173.8	993.3	1 022.2	1 043.3	983.0	534.9	521.8	558.8
Shareholders' equity	900.8	801.8	754.2	584.0	563.1	598.1	422.9	406.5	379.0	420.9
Long-term liab., interest bearing	554.9	554.2	82.0	82.0	99.0	99.0	116.0	-	-	-
Long-term liab., non-interest bearing	79.4	75.3	161.8	155.9	159.0	156.4	161.9	37.6	37.3	36.8
Current liab., interest bearing	34.7	34.7	34.0	34.0	34.0	34.0	34.0	-	-	-
Current liab., non-interest bearing	377.9	367.5	141.8	137.5	167.1	155.8	248.2	90.9	105.5	101.1
Total equity and liabilities	1 947.7	1 833.6	1 173.8	993.3	1 022.2	1 043.3	983.0	534.9	521.8	558.8
CASH FLOW										
Cash flow from operating activities	95.2	8.0	17.9	30.3	38.1	30.4	27.5	20.7	41.1	38.8
Cash flow from investing activities	-17.8	85.3	-40.2	-17.6	-68.3	-13.6	35.3	-1.8	0.5	15.7
Cash flow from financial activities	-0.1	471.8	138.2	-17.0	-56.5	142.0	125.0	0.0	-68.9	-
Cash flow for the period	77.2	565.1	115.8	-4.3	-86.8	158.8	187.8	18.9	-27.3	54.5
Cash flow from acquisition of business	-	-739.3	-	-	-	-96.3	-139.6	-	-	-
Total cash flow from the period	77.2	-174.3	115.8	-4.3	-86.8	62.5	48.2	18.9	-27.3	54.5

* The numbers for 2015-2016 have not been recalculated according to IFRS 15.

5 Years in Summary*

SEK million	2017	2016	2015	2014	2013
INCOME STATEMENT					
Revenue	588.4	501.3	481.5	429.3	408.5
Operating expenses	-485.6	-382.5	-371.4	-335.5	-326.4
Operating profit	102.8	118.8	110.0	93.8	82.1
Net financial items	-5.2	5.2	2.5	1.5	1.7
Earnings before tax	97.6	124.0	112.5	95.3	83.8
Profit for the period	82.5	94.6	88.0	74.5	63.2
Net profit	82.5	94.6	88.0	74.5	63.2
BALANCE SHEET					
Intangible assets	522.2	499.2	128.4	128.1	121.7
Other fixed assets	31.0	34.4	8.5	9.5	13.2
Other financial fixed assets	2.7	6.5	2.0	0.5	-
Financial assets held for sale, non-current	62.1	-	70.7	14.3	-
Current receivables	203.6	219.4	196.2	150.6	140.8
Financial assets held for sale, current	40.2	-	-	20.6	-
Cash and cash equivalents	312.0	223.5	132.8	180.4	163.6
Total assets	1 173.8	983.0	538.6	504.0	439.3
Shareholders' equity	754.2	422.9	398.9	400.3	371.2
Long-term liabilities, interest-bearing	82.0	116.0	-	-	-
Long-term liabilities, not interest-bearing	161.8	161.9	21.5	16.2	11.6
Current liabilities, interest-bearing	34.0	34.0	-	-	-
Current liabilities, not interest-bearing	141.8	248.2	118.2	87.5	56.5
Total equity and liabilities	1 173.8	983.0	538.6	504.0	439.3
CASH FLOW					
Cash flow from operating activities	116.6	128.1	104.6	116.2	76.6
Cash flow from investing activities	-139.7	49.6	-52.8	-48.9	-14.3
Cash flow from investing activities - divested business	-	-	-	10.4	18.0
Cash flow from investing activities - acquisition of business	-96.3	-139.6	-	-	-
Cash flow from financing activities	206.6	56.2	-100.1	-64.6	-63.1
Cash flow for the period	87.2	94.3	-48.3	13.1	17.3
KEY FIGURES					
Revenue growth, %	17	4	12	5	-13
Operating margin, %	17.5	23.7	22.9	21.9	20.1
Profit margin, %	16.6	24.7	23.4	22.2	20.5
Return on capital employed, %	16.3	27.8	29.7	25.7	24.1
Return on equity, %	14.0	23.0	22.0	19.3	17.1
Return on total capital, %	11.1	18.1	22.9	21.1	19.8
Interest coverage ratio, times	5.4	10.2	16.2	24.5	16.7
Equity ratio, %	64.3	43.0	74.1	79.4	84.5
Liquidity, %	316.1	156.9	278.3	401.8	538.9
Average number of employees	467	410	400	392	384
Net sales per employee, MSEK	1.26	1.22	1.20	1.10	1.06
Net asset value per share, SEK	39.00	26.61	25.06	24.81	22.65
Earnings per share, SEK	4.69	5.95	5.49	4.58	3.83
Transfer to shareholders per share, SEK ¹	-	2.00	4.20	3.60	3.00

*The numbers for 2013-2016 have not been recalculated according to IFRS 15.

¹Transfer to shareholders adopted by the 2018 Annual General Meeting.

Financial Definitions and Alternative Performance Measures

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.

Non-recurring costs: costs of a non-repeat nature in operating activities.

Non-recurring costs include restructuring costs, costs for legal consulting on major disputes, and transaction expenses on major acquisitions.

Transaction expenses include costs for legal and financial consulting, but exclude finance costs. The purpose of specifying these items is to clarify the progress of underlying operations.

Operating margin: operating profit in relation to revenue.

Operating profit excl. non-recurring costs: Costs of non-recurring nature in normal operations. Non-recurring costs include restructuring costs, legal advisory costs relating to major disputes and transaction costs relating to major acquisitions. Transaction costs include legal and financial advisory costs but exclude finance costs. The purpose of specifying these is to clarify the development of the underlying business.

Return on capital employed: Operating profit (loss) plus financial income 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 for the second quarter 2018 uses non-IFRS measures that Enea and other parties use to evaluate Enea's results of operations. These measures provide management and investors with significant information to analyze trends in the company's business operations. These non-IFRS measures are intended to complement, but not replace, financial measures presented in accordance with IFRS.

1. Reconciliation of revenue growth

	Apr-Jun		Jan-Jun		Full year
	2018	2017	2018	2017	2017
Revenue, SEK million	213.4	148.5	383.6	291.2	588.4
Revenue growth, %	44	20	32	19	17
Revenue growth currency adjusted, %	44	17	33	16	17
SEK million					
Revenue growth based on unchanged exchange rates compared with the previous year	65.3	20.6	95.7	40.1	85.5
Currency adjustment revenue growth	-0.5	3.8	-3.2	6.2	1.5
Reported revenue growth	64.8	24.4	92.4	46.3	87.1
%					
Revenue growth based on unchanged exchange rates compared with the previous year	44	17	33	16	17
Currency adjustment revenue	-0	3	-1	3	0
Reported revenue growth	44	20	32	19	17

2. Reconciliation of financial net

	Apr-Jun		Jan-Jun		Full year
	2018	2017	2018	2017	2017
Financial income, SEK million	5.2	3.1	11.4	7.9	17.0
Financial expenses, SEK million	-11.8	-5.8	-25.2	-10.8	-22.2
Reported financial net, SEK million	-6.6	-2.8	-13.9	-2.8	-5.2

Technology Insight

Enea NFV Access—optimized virtualization software

A new version of the Linux-based Enea NFV Access network virtualization software platform was launched in the second quarter. NFV Access is optimized for customer premises equipment (CPE) and especially, virtualized CPE solutions (vCPE).

NFV Access delivers the market's highest performance and availability, combined with open source and open, standardized interfaces. Because NFV Access needs very little hardware, it is capable of delivering high performance with simple processors and limited memory, which makes the CPE equipment cost efficient, thus helping enable major savings for operators.

With its unique scalability from simple to more complex processors, NFV Access can be applied to software-defined wide area networks (SD-WAN) services and by businesses building SD-WANs.

Enea NFV Access 2.0 has the following new features:

- Enhanced administration compliant with the NETCONF protocol standard
- Automated configurations and updates with Zero Touch Provisioning (ZTP), enabling major savings because new CPE units can be connected to the network without the physical presence of service technicians
- Support for Intel's Atom and Zeon processors and for Lanner and Supermicro hardware
- Extensive testing and validation to ensure the software satisfies all security standards

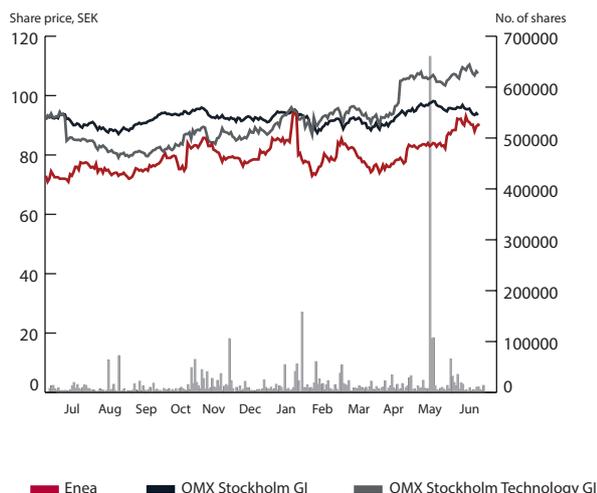
Enea uCPE Manager, which deals with orchestration and management of Virtualized Network Functions (VNF) are also packaged with NFV Access. This platform communicates over the REST interface, the sector standard. Enea uCPE Manager can also route traffic through several network functions, is known as Service Function Chaining (e.g. firewall + antivirus + video traffic optimization).

Because of the market need for integrated solutions, Enea rolled out a series of sales and marketing activities in the quarter alongside partners to demonstrate an actual, bundled offering. Enea strengthened its partnership ties with VNF providers like Clavister and Cloudify, as well as hardware specialists like Lanner Electronics and Advantech.

For more information:

<https://www.enea.com/enea-nfv-access>





The share

April - June 2018

Share price development:	17.49%
No. of traded shares:	1 542 444
Highest closing price:	93.00 SEK
Lowest closing price:	74.00 SEK
Dividend 2018:	00.00 SEK

Market cap. (30 Jun):	1 768 SEK million
Total No. of shares (30 Jun):	19 650 231

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Financial information

Interim report Jul-Sep	23 October, 2018
Annual statement	7 February, 2019

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.