

Interim Report, January – March 2020

A stable quarter without major new deals

January – March 2020

- Total revenue amounted to SEK 226.8 (240.9) million, equivalent to a 6 percent decrease. Last year's revenue included SEK 20 million related to a settlement with a key customer.
- Operating profit amounted to SEK 22.6 (62.2) million, corresponding to an operating margin of 10.2 (25.9) percent. Operating profit excluding non-recurring items, related to restructuring done, amounted to SEK 40.5 (65.7) million, equivalent to an operating margin of 18.3 (27.4) percent.
- Earnings per share amounted to SEK 0.80 (2.14).
- The consequences of the coronavirus pandemic have caused delays to a few customer projects. Internal business has continued without any major disruptions, through digital channels and remote working. We see a risk of continued interruptions to customer projects and delayed investment decisions during the current pandemic, even if the market for telecommunication will most probably be less affected than the economy generally.

Significant events after period end

- In April 2020, Enea announced a multi-year 5G deal worth USD 15-20 million with a leading North American operator.

Key figures	Jan-Mar		Full year
	2020	2019	2019
Total revenue, SEK m	226.8	240.9	1 012.0
Net sales, SEK m	221.7	240.1	994.5
Net sales growth, %	-8	42	21
Net sales growth currency adjusted, %	-10	34	16
Operating profit excluding non-recurring items, SEK m	40.5	65.7	258.4
Operating profit, SEK m	22.6	62.2	254.7
Operating margin excluding non-recurring items, %	18.3	27.4	26.0
Operating margin, %	10.2	25.9	25.6
Net profit after tax, SEK m	17.0	41.4	169.7
Earnings per share, SEK	0.80	2.14	8.47
Net debt/EBITDA (12 months)	0.58	1.96	0.63
Cash flow from operating activities, SEK m	62.2	93.3	245.2
Cash, cash equivalents and financial investments, SEK m	170.3	142.7	146.1

A stable quarter without major new deals

Enea's net sales in the first quarter were SEK 221.7 million, and operating profit before non-recurring items was SEK 40.5 million, equivalent to an operating margin of 18.3 percent. Most of Enea's business is stable, thanks to a high share of recurring revenues from software, which is critical to customers' continued operation of telecom and enterprise networks worldwide. However, the corona pandemic has caused some delays to individual projects and investment decisions. We anticipate that similar disruptions may occur as long as the pandemic is affecting our core markets.

Enea's cash flow from operating activities before changes in working capital was SEK 43.9 million. The combination of strong cash flows and good liquidity, as well as low indebtedness (net debt/EBITDA = 0.58) mean we have good potential to cope with a period of greater uncertainty on the market.

Telecommunication – more important than ever

The consequences of the corona pandemic for people, businesses and countries remains hard to assess. However, we can humbly conclude that telecommunication is playing a more important role than ever in society. Many people are working from home using sophisticated communication and remote collaboration tools. Students have found new ways to study over the Internet. Video streaming and gaming services have seen increased use now that people are spending more time at home. Overall, this has created new traffic patterns and a sharp increase in traffic volumes, of up to 50 percent in some countries. Even if part of this increase will be lost when the corona pandemic is over, there is reason to expect that progress towards greater digitalization and communication will accelerate.

For Enea, these higher traffic volumes mean more usage of our software, and that some solutions like video optimization will be even more important to our customers for managing all the traffic in their networks. We have already received enquiries to increase capacity on some markets. In the short term, operators will focus on maintaining stable networks with minimal manual intervention. But in the longer term, it will only be possible to satisfy the need for capacity and new functionality with more frequency spectrum for mobile communication. That's why we think the rollout of 5G will continue, and we have decided to continue investments in 5G and cybersecurity.

Strategic 5G and data management contract

The strategic 5G contract that was signed in April with a leading North American operator is a very positive event. What's often referred to as the 'Network data layer' is an important part of the operator's core networks, and Enea's cloud software will be the backbone of all data storage that many other vendors' network functions integrate with. This contract enables revenues of USD 15-20 million over the next five years, as this customer rolls out 5G networks and its subscriber base expands. The contract has been signed in direct relationship between Enea and the operator - not



via any of our partners. It will be an important reference when other customers select suppliers over the coming years.

Effective adaptation of our company

With distributed and cloud-based IT tools for development and communication, we've succeeded in adapting the company to the prevailing situation, including those countries where we have major development centers. We are continuing to support customers remotely, developing and testing new products compliant with new market demands and standards.

In the quarter, we concluded the planned downsizing of staff in Sweden and Germany, a process generating non-recurring costs of SEK 18 million, somewhat above our previous estimates. This change gives us a more effective structure with fewer development centers and lower costs. We'll keep adapting our organization to business conditions, for example in our US service operation, where we anticipate lower demand for development consultants for the rest of the year.

Outlook

Our target of an operating margin over 20 percent remains. Uncertainty in the short and medium term has increased because of the corona pandemic. It's very likely that its after-effects will delay projects and otherwise have a negative impact on our business, which risks causing variations in earnings in forthcoming quarters. However, we still have a positive view of market prospects for software in telecom and enterprise networks. We see potential for our new solutions in virtualization, cybersecurity and 5G, which is why we are continuing our investments in product development and innovation for long-term organic growth. In addition, we are continuing our search for potential acquisitions that can strengthen our market position and long-term earnings capacity. Overall, we think that the consequences of the corona pandemic will have a negative impact on our sales in 2020.

Jan Häglund
President and CEO

Revenue

Enea's revenue in the first quarter amounted to SEK 226.8 (240.9) million, consisting of Net Sales of SEK 221.7 million (240.1) and Other operating revenue of SEK 5.0 million (0.7). Net sales decreased by 8 percent, currency adjusted a decrease by 10 percent. Last year included a revenue of SEK 20 million related to a settlement with a key customer, as well as a few large deals.

The acquisitions Enea has executed in recent years have a higher new business share, where individual contracts may be large in absolute terms, and with varying levels of recurring revenues. This means variations between individual quarters can occur.

Enea's offering is divided into three product groups: Network Solutions, Operating System Solutions and Global Services.

Network Solutions

Network Solutions includes mobile and fixed telecom products, and enterprise networks. These products are part of solutions for system vendors, and also sold direct to network operators. Their functionality enables data traffic to be analyzed, optimized and monetized. The segment includes products for the following applications:

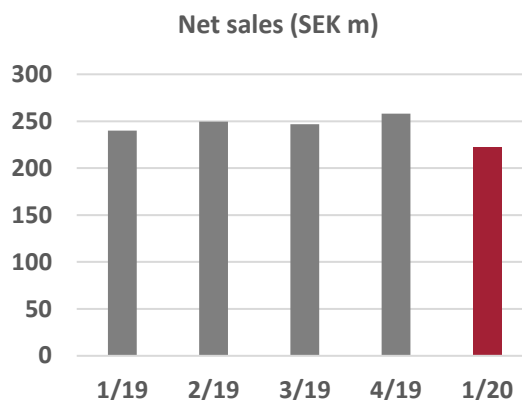
- Policy and access control - authentication of subscribers and traffic management based on subscription terms, i.e. authorization and access to various types of service.
- Deep packet inspection – identification and classification of data traffic for the optimal use of available resources and enhanced network security.
- Mobile data traffic management – ensuring high and consistent quality of various types of service based on data traffic, with a specific focus on video traffic.
- Subscriber data management – large-scale processing of subscriber information, such as subscription terms, contract period and service usage.
- Network function virtualization – products that enable new ways to build networks, where applications and software become hardware independent.

Network Solutions' sales increased by 4 percent in the quarter, positively affected by the Policy and Access control business that was acquired 1st of March 2019. This product group represented 61 (55) percent of total net sales in the quarter, and has growing strategic significance to Enea.

Operating System Solutions

Operating System Solutions ("OS Solutions") includes software for real-time applications and network function virtualization. The former category is operating systems, i.e. software that enables the installation of applications on different computers and platforms. Enea's offering in this segment enables solutions that can be defined as follows:

- Operating systems – products that are often integrated components of systems, where reliability, performance and real-time operation are critical, for example mobile network



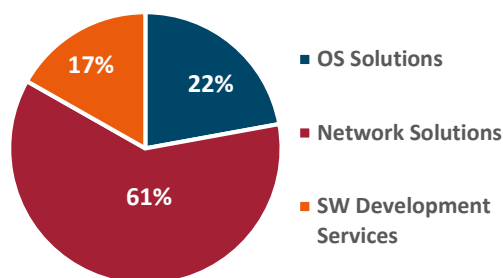
infrastructure. The tools used for developing applications for Enea's operating systems are often part of this business.

Sales in Operating System Solutions were down by 34 percent in the quarter. The decrease is mainly driven by lower sales from key accounts, where sales decreased by 41 percent and was 78 percent (88) of sales for the product group. Last year included revenue of SEK 20 million regarding a settlement from one of the key customers. The decrease for the product group, excluding the settlement, was 9 percent for the quarter. The decrease is due to key customers increasing the open source technology in their offering. The Operating Systems Solution product group represented 22 percent (31) of net sales in the quarter.

Software development services

Software Development Services (SW Development Services) provides consulting services and expertise for developing integrated systems and other high-end system solutions. Sales in Software development services increased by 7 percent in the quarter. This product group represented 17 (15) percent of total revenue in the quarter.

Net sales/product group Jan-Mar



Net sales per region and market segment

Enea reports sales by region: EMEA, the Americas and Asia. Enea has sales offices in Sweden, Germany, the UK, France, Austria, Romania, the US, China, Japan and India.

EMEA

The EMEA region includes sales of both software and services. Sale of software mainly consists of the key customers Ericsson and Nokia and telecom operators. Sale of services includes cybersecurity, telecom- and consumer industry. Sale takes place from offices in Sweden, Germany, Romania, France and the US.

Net sales in EMEA increased by 10 percent in the quarter year over year, driven of the acquired policy- and access control business (acquired 1st of March 2019).

Americas

The Americas region includes software and services sales. Software sales are mainly towards customers within the telecom industry, such as AT&T and Cisco. Service sales are to customers in several sectors including the aerospace industry.

Net sales decreased by 22 percent in the quarter year over year. The decrease is mainly due to the fact that first quarter 2019 included a couple of large orders, unlike 2020.

Asia

The Asia region includes customers such as Fujitsu and Hytera, and is basically managed from offices in China, Japan and Singapore.

Net sales decreased by 40 percent year over year in the quarter due to that no large orders were signed in the quarter.

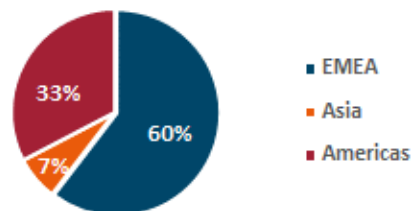
Enea reports sales by market segment: Telecom equipment manufacturers, Telecom operators, Security and Other.

Net sales per market segment

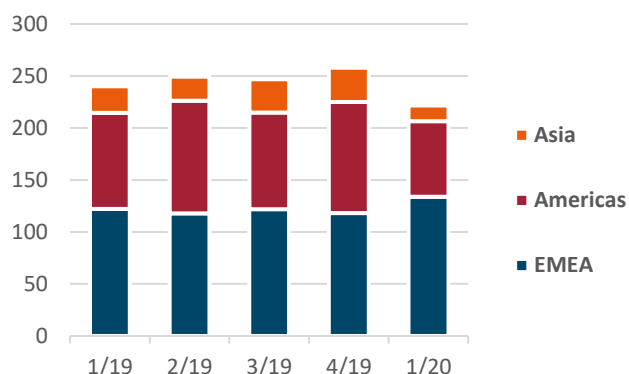
Net sales by market segment is illustrated to the right. Sales for the Telecom/OEMs segment was 50 percent (49) of total net sales. Sales for the segment Telecom/operators was 21 percent (32) of total net sales.

The sales for Security market segment doubled compared to the same quarter of the previous year and was 11 percent (5) of total net sales. The increase relates to contracts with both existing and new customers.

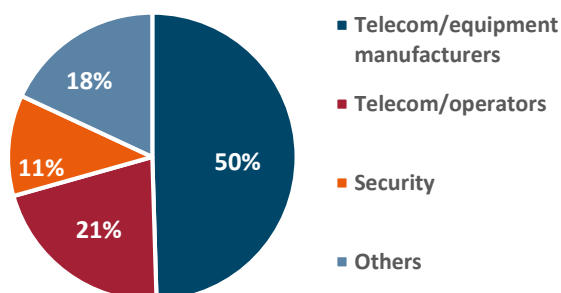
Net sales per region Jan-Mar



Net sales per region



Net sales/market segment Jan-Mar



Cost of goods and services sold

Cost of goods and services sold are 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 also include expenses associated with any third-party products and direct personnel costs related to the delivery of consulting services. Direct costs related to license sales normally represent less than 10 percent of sales prices, while costs for product-related and Global Services normally account for 60 to 80 percent of sales prices. 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.

In the first quarter 2020, Enea's cost of goods and services sold was SEK 79.2 (58.4) million, equivalent to a gross margin of 66.6 (76.0) percent. Costs increased mainly due to the acquired policy and access control business. The narrower gross margin relates mainly to a SEK 5.8 million increase in depreciation and amortization to SEK 16.6 (10.8) million, an effect of acquisitions in recent years, and restructuring costs of SEK 5.2 million. Gross margin excluding restructuring costs was 68.9 percent.

Operating costs

Operating costs are sales and marketing costs as well as product development costs and administration costs. The operating costs amounted to SEK 125.0 (120.3) million. Adjusted for MSEK 12.7 restructuring costs, the operating costs decreased by 4 percent from MSEK 116.8 (excluding non-recurring items) to MSEK 112.4 million, despite the fact that costs for the acquired policy and access control now includes a full quarter, compared to 2019. Costs for share-based incentive programs amounted to SEK 2.0 (4.7) million.

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 the Internet. Sales and marketing costs were SEK 55.2 (50.6) million in the first quarter, or 24.9 (21.1) percent of revenue in the quarter. Restructuring costs were SEK 0.5 million in the quarter.

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 costs for new software product development is capitalized in the Balance Sheet, and is normally amortized over 36-60 months.

Total R&D investments in the first quarter 2020 were SEK 73.0 (57.1) million, of which product development costs recognized in the Income Statement were SEK 44.8 (38.1) million, corresponding to 20.2 (15.9) percent of revenue in the quarter. SEK 28.2 (19.0) million of product development costs were capitalized in the first quarter and restructuring costs amounted to SEK 10.4 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 first quarter, administration costs were SEK 25.0 (31.6) million, or 11.3 (13.2) percent of revenue for the quarter. Restructuring costs amounted to SEK 1.7 million and transaction and integration costs relating to acquisitions amounted to SEK 0 (3.5) million in the quarter.



Result of operations, cash flow, investments & financial position

Results of operations

The group's operating profit excluding non-recurring items amounted to SEK 40.5 (65.7) million in the first quarter, which corresponds to an operating margin excluding non-recurring items of 18.3 (27.4) percent for the quarter. The group's operating profit was SEK 22.6 (62.2) million in the first quarter, equivalent to an operating margin of 10.2 (25.9) percent for the quarter. Currency effects on operating profit for the quarter were 1 (2) percent.

Net financial income/expense was SEK 1.0 (-7.4) million for the quarter and included interest costs of MSEK 2.0 (8.8) million, operational currency gains of MSEK 2.6 (1.4) million and interest income of MSEK 0.3 (0.1) million. Profit after tax amounted to SEK 17.0 (41.4) million for the quarter. Earnings per share were SEK 0.8 (2.14) for the quarter.

Cash flow

Cash flow from operating activities was SEK 62.2 (93.3) million for the first quarter. Total cash flow was SEK 14.6 (65.8) million for the first quarter.

Investments

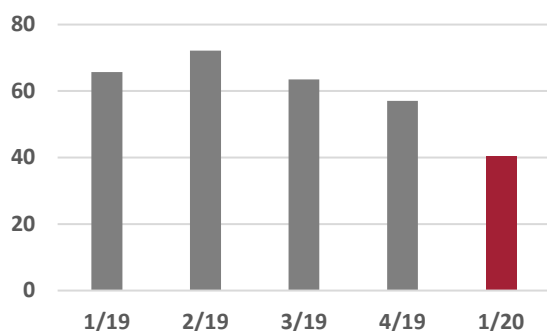
The group's investments amounted to SEK 30.4 (212.6) million in the first quarter. Depreciation and amortization amounted to SEK 19.0 (6.9) million for the first quarter. Enea capitalized SEK 28.2 (19.0) million of product development expenses for the first quarter. Amortization of capitalized product development expenses was SEK 9.8 (6.0) million for the first quarter. Depreciation of leased assets was SEK 5.1 (4.6) million in the quarter.

Financial position

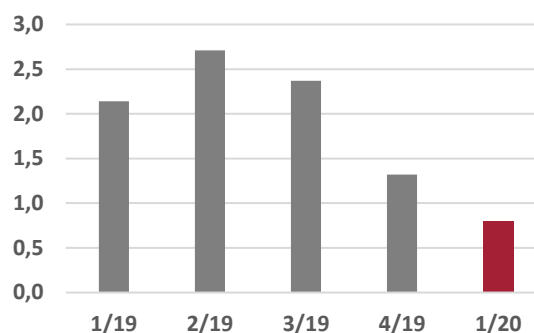
Net debt was SEK 179.6 (539.3) million at quarter end, with cash and cash equivalents of SEK 170.3 (142.7) million, interest-bearing bank and bond liabilities of SEK 349.9 (635.5) million and deferred consideration of SEK 0 (46.5) million. Interest-bearing liabilities were divided between long term of SEK 263.0 (572.8) million, and current of SEK 86.9 (62.7) million.

The equity ratio was 67.9 (48.7) percent, and total assets amounted to SEK 2,375.1 (2,197.9) million at quarter end. Net debt/EBITDA (12 mths) was 0.58 (1.96).

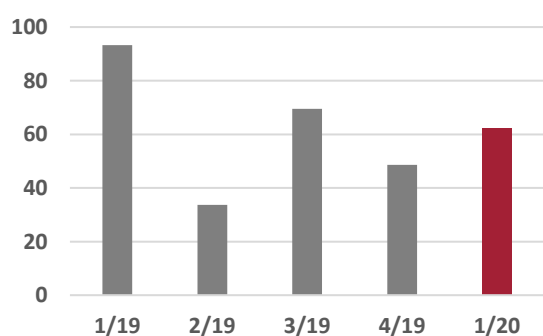
Operating profit excluding NRI (SEK m)



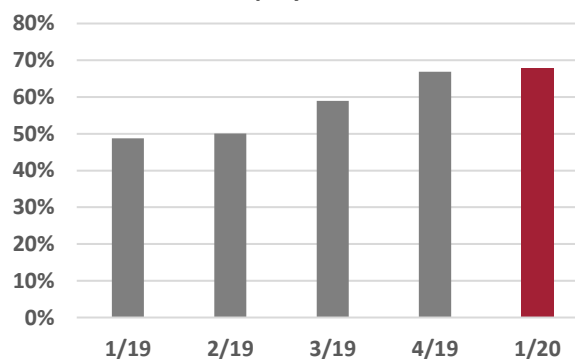
Earnings per share (SEK)



Cash flow from operations (SEK m)



Equity ratio



Parent company

The parent company's revenue for January-March amounted to SEK 11.8 (16.6) million and profit/loss before appropriations and tax amounted to SEK -8.7 (-0.7) million. The parent company's net financial income/expense was SEK -1.0 (-0.7) million, and cash and cash equivalents were SEK 0.8 (7.4) million at period end. The parent company's investments in the quarter were SEK 0.1 (0.4) million. The parent company had 15 (12) employees at the end of the period. The parent company does not conduct its own operations and its risks primarily relate to the operations of subsidiaries.

Employees

At the end of the quarter, the group had 653 (640) employees, a decrease of 8 on the previous year-end.

Repurchase of treasury shares

Enea repurchased no shares in the first quarter. Enea held 314,760 treasury shares at the end of the period, or 1.5 percent of the total number of shares.

Annual General Meeting

Enea's Annual General Meeting (AGM) 2020 will be held at 4:30 p.m. CET on Wednesday 6 May at Kista Science Tower, Färögatan 33, Kista, Sweden.

Nomination Committee

In consultation with the largest shareholders, the Chairman of the Board of Enea AB has established a Nomination Committee for the AGM 2020. The members of the Nomination Committee are: Per Lindberg, Jan Dworsky (Swedbank Robur Fonder), Niklas Johansson (Handelsbanken Fonder), Henrik Söderberg (C World Wide Asset Management) and Anders Lidbeck (Chairman of Enea AB). The Nomination Committee has appointed Per Lindberg as Chairman. The duty of the Nomination Committee is to submit proposals for the Chairman and other members of the Board, and fees and other compensation for work on the Board to each of the Board members, to the AGM. The Nomination Committee should also submit proposals on the election and remuneration of auditors. The Nomination Committee should also submit proposals on the procedure for appointing a nomination committee for the AGM 2021.

Significant events after period end

In April 2020, Enea announced a multi-year 5G deal worth USD 15-20 million, with a leading North American operator.

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



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 surveillance 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. As of 31 March 2020, the group's currency hedged amounted to a liability of SEK 7.4 million, which is the total of level 2.

Level 3: The group does not report any financial instruments at level 3 as of 31 March 2020.

For other financial assets and liabilities, carrying amount is consistent with fair value.

Allocation by level in fair value measurement, 31 March, SEK million	Level 1	Level 2	Level 3	Total
<i>Derivative instruments used for hedging purposes:</i>				
Currency derivatives	-	7.4	-	7.4
Total	-	7.4	-	7.4

Accounting policies

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting, which is consistent with Swedish legislation by applying RFR's (the Swedish Financial Reporting Board) recommendation RFR 1, Supplementary Accounting Rules for Groups, and RFR 2, Accounting for Legal Entities, for the parent company. The same accounting policies, definitions of key figures and computation methods have been applied as in the most recent annual accounts of the group and the parent company, unless otherwise stated below.

Risks, long-term ambition & outlook

Material risks and uncertainty factors

Dependency on Key Accounts is decreasing, but remains high. These customers represented approximately 28 percent of the group's revenues in the quarter and the trend for these revenues is declining.

Enea has a SEK 70 million overdraft facility, of which SEK 19.9 million had been utilized at the end of the quarter. The terms and conditions of the overdraft facility include covenants regarding net debt/EBITDA, all of which were satisfied as of 31 March 2020.

Enea has two bank loans of SEK 80 million (raised January 2019) and SEK 250 million (raised October 2019). The SEK 80 million loan is to be repaid after 2 years, with a 1-year extension option and the loan of SEK 250 million matures after three years. Interest accrues at Stibor 3M (with a floor) plus a market yield. The agreement stipulates covenants regarding the group's net debt/EBITDA and EBITDA/financial expenses. These covenants were satisfied as of 31 March 2020. The remaining liability as of 31 March amounted to SEK 330 million.

Effects of Covid-19

Enea is mainly active in cybersecurity and telecommunication, the latter being its largest market. The corona pandemic will probably have a major negative impact on the global economy, which may affect some customers' risk appetites and willingness to invest. For Enea, this may mean some projects being delayed, or not being executed. Meanwhile, the underlying drivers of telecommunication, involving a continued focus on virtualization, 5G and increased network capacity, remain. One effect of the corona pandemic has been traffic volumes in networks increasing, as many students and business employees work from home. This effect is likely to be partly transient, even if more widespread usage of digital tools and remote working do become a permanent change.

Enea's people in many countries are affected by being unable to get to their usual workplaces. Essentially, Enea's business can operate from people's homes for a period. Enea has the tools to enable this with state-of-the-art communication solutions.

Efficiency remains high but will, to some extent, be affected if restrictions on physical meetings continue. Contact with customers now also mainly takes place via different communication solutions, instead of physical meetings.

Because there were no other significant changes to material risks and uncertainties in the quarter, the reader is referred to the review on pages 20-21 of the most recent Annual Report.

Long-term ambition

Enea's ambition is to be a global software company with a strong and leading position in the markets we address, with annual revenue growth, high profitability and good cash flows. Organic growth will be the base of operations and Enea will work continuously to develop, streamline and optimize these operations. Strategic and complementary acquisitions will be screened regularly. Enea's goal is to maintain an operating margin of over 20 percent annually. The operating margin will vary between quarters, tracking growth. Growth and earnings performance will vary during years and between quarters, primarily due to how individual transactions occur, and the progress of royalty streams.

Outlook for 2020

Our target of an operating margin over 20 percent remains. Uncertainty in the short and medium term has increased because of the corona pandemic. It is very likely that its after-effects will delay projects and otherwise have a negative impact on our business, which risks causing variations in earnings in forthcoming quarters. However, we still have a positive view of market prospects for software in telecom and enterprise networks. Overall, we think that the consequences of the corona pandemic will have a negative impact on our sales in 2020.

Kista, Sweden, 28 April 2020

The Board of Directors

This Interim Report was not examined by the company's auditors.



Consolidated Statement of Comprehensive Income

SEK m	Jan-Mar		12 months	Full year
	2020	2019	Apr-Mar	2019
Net sales	221.7	240.1	976.1	994.5
Other operating revenue	5.0	0.7	21.8	17.5
Total revenue	226.8	240.9	998.0	1 012.0
Cost of goods and service sold	-79.2	-58.4	-294.5	-273.7
Gross profit	147.6	182.5	703.5	738.4
Sales and marketing costs	-55.2	-50.6	-208.9	-204.3
R&D costs	-44.8	-38.1	-173.7	-167.0
General and administration costs	-25.0	-31.6	-105.8	-112.4
Operating profit 1) 2) 3)	22.6	62.2	215.1	254.7
Net financial income/expense	1.0	-7.4	-43.3	-51.7
Profit before tax	23.5	54.8	171.8	203.0
Tax	-6.5	-13.4	-26.5	-33.4
Net profit for the period	17.0	41.4	145.3	169.7
OTHER COMPREHENSIVE INCOME				
<i>Items that may be reclassified to profit or loss</i>				
Change in hedging reserve, after tax	-5.8	0.7	-4.7	1.8
Exchange rate differences	113.0	39.8	114.4	41.3
<i>Items that will not be reclassified to profit or loss</i>				
Pension obligations	1.0	2.3	-0.8	0.5
Total comprehensive income for the period, net of tax	125.2	84.2	254.2	213.2
Profit for the period attributable to equity holders of the parent company	17.0	41.4	145.3	169.7
Comprehensive income for the period attributable to equity holders of the parent company	125.2	84.2	254.2	213.2
1) including depreciation of tangible assets	2.4	2.0	10.2	9.8
2) Including amortization of intangible assets	16.7	10.7	61.5	55.5
Including amortization of right-to-use assets	5.1	4.6	21.3	20.8
3) Non-recurring items included in operating profit				
Operating profit including non-recurring items	22.6	62.2	215.1	254.7
Restructuring costs	17.9	-	17.9	-
Costs for integrating new business	-	0.8	0.2	1.0
Transaction costs related to acquisitions	-	2.7	-	2.7
Operating profit excluding non-recurring items	40.5	65.7	233.2	258.4

Key figures – Income Statement

SEK m	Jan-Mar		12 months	Full year
	2020	2019	Apr-Mar	2019
Earnings per share (SEK)	0.80	2.14	7.06	8.47
Earnings per share after full dilution (SEK)	0.80	2.14	7.06	8.47
Average number of shares before dilution (million)	21.3	19.3	20.6	20.0
Average number of shares after dilution (million)	21.3	19.3	20.6	20.0
Net sales growth (%)	-8	42	9	21
Gross margin (%)	66.6	76.0	72.1	74.2
EBITDA (SEK m)			308.1	340.8
Operating costs as % of revenue				
- Sales and marketing costs	24.9	21.1	21.4	20.5
- R&D costs	20.2	15.9	17.8	16.8
- G&A costs	11.3	13.2	10.8	11.3
Operating margin excl. non-recurring items (%)	18.3	27.4	23.9	26.0
Operating margin (%)	10.2	25.9	22.0	25.6

Consolidated Statement of Financial Position

<i>SEK m</i>	31 Mar	31 Mar	31 Dec
	2020	2019	2019
ASSETS			
Intangible assets	1 784.7	1 664.7	1 672.3
- of which goodwill	1 350.7	1 282.1	1 265.9
- of which capitalized development costs	176.9	115.3	151.6
- of which product rights	63.4	66.1	62.8
- of which customer contracts	130.2	128.3	130.6
- of which trademarks	24.4	22.7	22.8
- of which right-to-use assets	37.7	49.0	37.4
- other intangible assets	1.3	1.2	1.3
Equipment, tools, fixtures and fittings	17.7	18.0	17.4
Deferred tax assets	10.0	15.9	10.2
Other long-term receivables	3.4	2.7	3.4
Total fixed assets	1 815.8	1 701.3	1 703.4
Current receivables	388.9	353.9	364.3
Cash and cash equivalents	170.3	142.7	146.1
Total current assets	559.2	496.6	510.4
Total assets	2 375.1	2 197.9	2 213.8
EQUITY AND LIABILITIES			
Equity	1 611.5	1 070.9	1 481.3
Provisions	5.3	6.6	6.6
Long-term liabilities			
Deferred tax liabilities	85.3	70.3	80.0
Long-term liabilities, interest-bearing	263.0	572.8	263.0
Long-term liabilities, non-interest-bearing	12.5	10.5	12.4
Long-term liabilities, lease obligations	20.6	31.1	20.6
Total long-term liabilities	381.4	684.7	376.0
Current liabilities			
Current liabilities, interest-bearing	86.9	62.7	99.1
Current liabilities, non-interest-bearing	271.7	353.4	232.9
Current liabilities, lease obligations	18.3	19.6	18.0
Total current liabilities	376.8	435.7	349.9
Total equity and liabilities	2 375.1	2 197.9	2 213.8

Consolidated Statement of Changes in Equity

<i>SEK m</i>	31 Mar	31 Mar	31 Dec
	2020	2019	2019
At beginning of period	1 481.3	985.8	985.8
Restatement of opening balance for changed accounting policies	-	-1.2	-1.2
Total comprehensive income for the period	125.2	84.2	213.2
New share issue	-	-	266.8
Share saving program	5.0	2.1	16.7
At end of period	1 611.5	1 070.9	1 481.3

Consolidated Statement of Cash Flow

SEK m	Jan-Mar		Full year
	2020	2019	2019
Cash flow from operating activities before change in working capital	43,9	66,9	288,3
Cash flow from change in working capital	18,3	26,4	-43,1
Cash flow from operating activities	62,2	93,3	245,2
Cash flow from investing activities	-30,2	-23,0	-90,9
Cash flow from acquisition of operation, net	-	-	-47,1
Cash flow from financing activities, raising of loans	-	82,5	362,1
Cash flow from financing activities, amortization of loans	-12,2	-82,2	-642,4
Cash flow from financing activities, amortization of lease liability	-5,2	-4,8	-21,2
Cash flow from financing activities, new share issue including transaction costs	-	-	265,6
Cash flow for the period	14,6	65,8	71,2
Cash and cash equivalents at beginning of period	146,1	74,7	74,7
Exchange rate difference in cash and cash equivalents	9,6	2,2	0,3
Cash and cash equivalents at end of period	170,3	142,7	146,1

Key figures – Balance Sheet and Cash Flow Statement

SEK m	Jan-Mar		12 months	Full year
	2020	2019	Apr-Mar	2019
Cash and cash equivalents (MSEK)	170.3	142.7	170.3	146.1
Equity ratio (%)	67.9	48.7	67.9	66.9
Equity per share (SEK)	75.66	55.39	75.66	69.54
Cash flow from operating activities per share (SEK)	12.2	4.8	10.4	12.2
Net debt (MSEK)	179.6	539.3	179.6	340.8
Number of employees at end of period	653	640	653	661
Return on equity (%)			10.8	13.8
Return on capital employed (%)			10.5	15.6
Return on assets (%)			8.9	13.3

Parent Company

Income Statement

SEK m	Jan-Mar		Full year
	2020	2019	2019
Revenue	11.8	16.6	77.6
Operating costs	-19.4	-16.6	-77.6
Operating profit	-7.6	-	-
Financial net	-1.0	-0.7	-1.3
Profit/loss after financial net	-8.7	-0.7	-1.3
Appropriations	-	-	6.0
Profit/loss before tax	-8.7	-0.7	4.7
Tax	1.8	0.1	-1.5
Net profit/loss for the period	-6.9	-0.6	3.2

Parent Company

Balance Sheet

SEK M	31 Mar		31 Dec
	2020	2019	2019
ASSETS			
Fixed assets	175.2	175.0	175.4
Current assets	1 046.3	1 049.1	1 067.6
Total assets	1 221.5	1 224.2	1 243.0
EQUITY AND LIABILITIES			
Equity	834.9	555.1	840.3
Untaxed reserves	4.1	4.5	4.1
Long-term liabilities, interest-bearing	263.0	572.8	263.0
Current liabilities, interest-bearing	86.9	62.5	99.1
Current liabilities, other	32.7	29.2	36.5
Total equity and liabilities	1 221.5	1 224.2	1 243.0

Quarterly data*

SEK m	2020	2019	2018				2017			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
INCOME STATEMENT										
Net sales	221.7	258.0	246.9	249.4	240.1	235.2	208.4	211.3	169.4	151.3
Other operating revenue	5.0	2.8	3.2	10.8	0.7	13.6	1.2	2.1	0.8	0.6
Cost of goods and services sold	-79.2	-74.5	-72.4	-68.4	-58.4	-62.1	-54.6	-58.5	-47.3	-41.9
Gross profit	147.6	186.4	177.8	191.8	182.5	186.7	154.9	154.8	122.9	110.0
Sales and marketing costs	-55.2	-53.8	-48.8	-51.1	-50.6	-51.4	-46.6	-47.4	-37.3	-27.4
R&D costs	-44.8	-44.0	-40.4	-44.5	-38.1	-38.8	-33.2	-36.7	-27.6	-24.1
General and administration costs	-25.0	-31.6	-25.0	-24.2	-31.6	-29.8	-23.9	-26.7	-31.1	-35.8
Operating profit	22.6	57.0	63.5	72.0	62.2	66.7	51.2	44.0	27.0	22.8
Net financial income/expense	1.0	-26.0	-8.2	-10.1	-7.4	-7.1	-6.8	-6.6	-7.3	-3.5
Profit before tax	23.5	30.9	55.3	62.0	54.8	59.6	44.4	37.4	19.7	19.3
Tax	-6.5	-2.8	-7.7	-9.6	-13.4	-7.1	-8.9	-2.0	-1.5	-1.9
Net profit for the period	17.0	28.2	47.7	52.4	41.4	52.5	35.5	35.4	18.2	17.5
Other comprehensive income	108.2	-62.5	63.4	2.1	42.8	9.1	-16.0	62.1	28.3	12.3
Total comprehensive income	125.2	-34.3	111.0	54.5	84.2	61.7	19.5	97.6	46.5	29.7
BALANCE SHEET										
Intangible assets	1 784.7	1 672.3	1 735.1	1 678.0	1 664.7	1 381.4	1 357.9	1 364.2	1 290.7	522.2
Other fixed assets	27.7	27.6	28.8	29.9	33.9	33.7	33.5	38.2	38.8	31.0
Other financial fixed assets	3.4	3.4	3.4	3.2	2.7	3.1	2.6	2.4	2.9	2.7
Financial assets held for sale, non-current	-	-	-	-	-	-	-	-	-	62.1
Current receivables	388.9	364.3	394.3	389.1	353.9	426.8	330.6	322.2	360.6	203.6
Financial assets held for sale, current	-	-	-	-	-	-	-	-	-	40.2
Cash and cash equivalents	170.3	146.1	395.7	150.5	142.7	74.7	206.2	220.6	140.6	312.0
Total assets	2 375.1	2 213.8	2 557.2	2 250.7	2 197.9	1 919.7	1 930.7	1 947.7	1 833.6	1 173.8
Shareholders' equity	1 611.5	1 481.3	1 507.9	1 126.8	1 070.9	985.8	922.3	900.8	801.8	754.2
Long-term liabilities, interest-bearing	283.6	283.6	105.9	604.4	603.8	539.8	538.9	554.9	554.2	82.0
Long-term liabilities, non-interest-bearing	103.1	99.0	93.0	90.0	87.4	86.8	83.1	79.4	75.3	161.8
Current liabilities, interest-bearing	105.1	117.0	515.5	88.3	82.3	94.3	34.5	34.7	34.7	34.0
Current liabilities, non-interest-bearing	271.7	232.9	334.9	341.3	353.4	212.9	352.0	377.9	367.5	141.8
Total equity and liabilities	2 375.1	2 213.8	2 557.2	2 250.7	2 197.9	1 919.7	1 930.7	1 947.7	1 833.6	1 173.8
CASH FLOW										
Cash flow from operating activities	62.2	48.6	69.5	33.7	93.3	42.3	23.2	95.2	8.0	17.9
Cash flow from investing activities	-30.2	-22.2	-21.4	-24.2	-23.0	-18.1	-18.9	-17.8	85.3	-40.2
Cash flow from financing activities	-17.4	-223.4	193.4	-1.4	-4.4	59.8	-17.2	-0.1	471.8	138.2
Cash flow for the period	14.6	-197.0	241.5	8.1	65.8	84.1	-12.9	77.2	565.1	115.8
Cash flow from acquisition of operation:										
Cash flow for the period, from acquisition of operation	-	-47.1	-	-	-	-215.1	-	-	-739.3	-
Total cash flow for the period	14.6	-244.2	241.5	8.1	65.8	-131.0	-12.9	77.2	-174.3	115.8

* Figures for 2017-2018 have not been restated for IFRS16.

Five-year summary*

SEK m	2019	2018	2017	2016	2015
INCOME STATEMENT					
Net Sales	994.5	824.3	584.4	498.2	476.7
Other operating revenue	17.5	17.7	4.0	3.1	4.8
Operating expenses	-757.3	-653.1	-485.6	-382.5	-371.4
Operating profit	254.7	188.9	102.8	118.8	110.0
Net financial income/expense	-51.7	-27.7	-5.2	5.2	2.5
Profit before tax	203.0	161.1	97.6	124.0	112.5
Profit for the period	169.7	141.7	82.5	94.6	88.0
Total	169.7	141.7	82.5	94.6	88.0
BALANCE SHEET					
Intangible assets	1 672.3	1 381.4	522.2	499.2	128.4
Other intangible assets	27.6	33.7	31.0	34.4	8.5
Other financial fixed assets	3.4	3.1	2.7	6.5	2.0
Financial assets held for sale, non-current	-	-	62.1	-	70.7
Current receivables	364.3	426.8	203.6	219.4	196.2
Financial assets held for sale, current	-	-	40.2	-	-
Cash and cash equivalents	146.1	74.7	312.0	223.5	132.8
Total assets	2 213.8	1 919.7	1 173.8	983.0	538.6
Shareholders' equity	1 481.3	985.8	754.2	422.9	398.9
Long-term liabilities, interest-bearing	263.0	539.8	82.0	116.0	-
Long-term liabilities, non-interest-bearing	119.6	86.8	161.8	161.9	21.5
Current liabilities, interest-bearing	99.1	94.3	34.0	34.0	-
Current liabilities, non-interest-bearing	250.8	212.9	141.8	248.2	118.2
Total equity and liabilities	2 213.8	1 919.7	1 173.8	983.0	538.6
CASH FLOW					
Cash flow from operating activities	245.2	168.6	116.6	128.1	104.6
Cash flow from investing activities	-90.9	30.5	-139.7	49.6	-52.8
Cash flow from investing activities-acquisition of operation	-47.1	-954.4	-96.3	-139.6	-
Cash flow from financing activities	-35.9	514.2	206.6	56.2	-100.1
Cash flow for the period	71.2	-241.1	87.2	94.3	-48.3
KEY FIGURES					
Net sales growth, %	21	41	17	5	12
Operating margin, %	25.6	22.9	17.6	23.8	23.1
Profit margin, %	20.4	19.5	16.7	24.9	23.6
Return on capital employed, %	15.6	17.0	16.3	27.8	29.7
Return on equity, %	13.8	16.3	14.0	23.0	22.0
Return on total capital, %	13.3	13.8	11.1	18.1	22.9
Interest coverage ration, multiple	3.8	4.1	5.4	10.2	16.2
Equity ratio, %	66.9	51.4	64.3	43.0	74.1
Liquidity, %	145.9	163.2	316.1	156.9	278.3
Net debt/EBITDA	0.63	2.44	-1.58	-0.55	-1.58
Average number of employees	629	563	467	410	400
Net sales per employee, SEK m	1.6	1.5	1.3	1.2	1.2
Net asset value per share, SEK	69.54	50.99	39.00	26.61	25.06
Earnings per share, SEK	8.47	7.33	4.69	5.95	5.49
Dividend per share, SEK	-	-	-	2.00	4.20

* Figures for 2015-2016 have not been restated for IFRS 15.

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.

Capital employed: Total assets less non-interest-bearing liabilities including deferred tax liabilities. Average capital employed is computed as opening plus closing capital employed divided by two.

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.

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

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.

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

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

Gross margin: Gross profit less reversed contingent consideration in relation to turnover.

Interest coverage ratio: Profit/loss after financial items plus financial expenses in relation to financial expenses.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 debt: Interest-bearing liabilities and unconditional acquisition related liabilities less cash and cash equivalents and financial investments, i.e. negative net cash.

Non-recurring items: Items of a non-repeating nature in normal operating activities. Non-recurring items include restructuring expenses, expenses for legal consulting relating to major disputes and transaction and integration expenses for major acquisitions. Transaction expenses include costs for legal and financial consulting, but exclude financing expenses. Reversed contingent consideration are also included in non-recurring items. 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 items: Profit from operations before financial items and tax, adjusted for non-recurring items.

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

Return on capital employed: Operating profit plus financial income related 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 costs 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.

This Interim Report 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.

	Jan-Mar		Full year
	2020	2019	2019
1. Reconciliation of net sales growth			
Net sales, SEK million	221.7	240.1	994.5
Net sales growth, SEK million	-18.4	70.6	170.2
Net sales growth, %	-8	42	21
Currency effect, unchanged exchange rates compared to previous year, SEK m	4.9	12.6	38.4
Currency effect, unchanged exchange rates compared to previous year, %	2.0	7.4	4.7
Net sales growth, unchanged exchange rates compared to previous year, SEK m	-23.3	57.3	131.8
Net sales growth, unchanged exchange rates compared to previous year, %	-10	34	16
	Jan-Mar		Full year
	2020	2019	2019
2. Reconciliation of financial income/expense			
Financial income, SEK million	9.8	4.9	20.0
Financial expense, SEK million	-8.9	-12.3	-71.7
Reported financial income/expense	1.0	-7.4	-51.7

About Enea

Enea is one of the world's leading providers of software products for telecommunication and cybersecurity. It focuses on products built for cloud platforms and 5G in core networks, virtualization and traffic intelligence. Over three billion people rely on Enea's technology every day when using their mobile phones or connecting to the Internet.

The company focuses on a cluster of carefully selected core segments, where it aspires to leadership. Its product portfolio consists of:

- Mobile video traffic management
- Cloud data management
- Policy and access control
- Real-time operating systems
- Embedded traffic classification
- Virtualization platforms

Enea applies two main sales models, direct sales to end-customers, and indirect sales through partnerships. Direct sales of turnkey solutions to operators are mainly in mobile video traffic management, cloud data management, as well as policy and access control. Indirect sales involve component sales to system vendors or system integrators, who in turn, deliver and implement complete solutions for operators and enterprises. This sales model is mainly in real-time operating systems, embedded traffic intelligence and virtualization platforms.

Enea also has a global services organization developing software on assignment from customers in different sectors with demanding performance and reliability standards. The project engineers in this part of Enea's organization have executed projects for customers providing solutions for medical devices, the aviation industry, and aerospace technology.

Data communication solutions have been Enea's core business since the company was founded over 50 years ago. Enea was the first company in the Nordic region to connect to the Internet, and received the first email in Sweden'. The company also registered Sweden's first Internet domain, and at an early stage, was the hub of all Internet traffic in Sweden.

These and other product-related milestones have secured Enea market leadership in a number of strategic segments. The company was one of the pioneers behind the emergence of the Internet and mobile data communication, and continues to drive technological progress by delivering market-leading products and solutions.

Enea has development centers and sales offices across Europe, North America and Asia. The company's engineers and project managers have long-term experience of developing software, and take overall responsibility, covering everything from design and coding to project management, quality-assurance and training. A total of over 650 people work for the company, and its headquarters is in Stockholm, Sweden.



The share

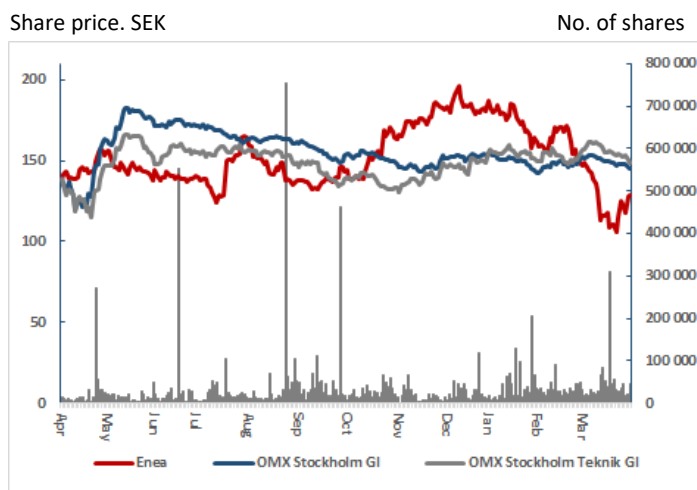
January – March 2020

Share price performance: -29.0%
Share turnover: 2 735 029

Highest closing price: SEK 187.50
Lowest closing price: SEK 105.50
Closing price, period end: SEK 128.50

Market cap (31 Mar): SEK 2.778 million
Total no. of shares (31 Mar): 21.615.231

Share turnover (%): 12.7%
Daily share turnover: 43 413



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Financial Information:

Annual General Meeting	6 May, 2020
Interim Report Jan – Jun	16 July, 2020
Interim Report Jan – Sep	21 October, 2020
Annual Statement	29 January, 2021

All financial information is published on Enea's website www.enea.com

Financial reports may also be ordered by e-mail (ir@enea.com) or post (address to left).

This Report contains forward-looking information that is based on the current expectations of Enea's management. Although management believes that the expectations reflected in such forward-looking information are reasonable, no assurance can be given that such expectations will prove accurate. Accordingly, actual outcomes may differ materially from those implied in the forward-looking information as a result of factors including changes to economic, market and competitive conditions, reforms of legislation and other political measures, fluctuations in exchange rates and other factors. This document is essentially a translation of the Swedish language original. In the event of any discrepancy between this translation and the original, the latter shall take precedence.