

PRESS RELEASE

Interim Report, January – March 2014

Higher sales and greatly improved net profit

Enea's sales for the first quarter were higher than in the same quarter last year. Operating margin and net profit per share were significantly improved.

Net sales for the first quarter amounted to SEK 101.0 (99.3) million, which is equivalent to an increase in sales of 1.7 percent.

Operating profit increased by 29 per cent to SEK 18.0 (14.0) million, which equates to an operating margin of 17.8 (14.1) percent.

Profit per share increased to SEK 0.88 (0.70) for the first quarter.

Cash flow from operations amounted to SEK 23.0 (6.5) million. Cash and cash equivalents amounted to SEK 191.9 (143.3) million at the end of the quarter.

The Annual General Meeting elected accordingly to pay SEK 3.00 (3.00) per share to shareholders via an automatic redemption program.

January to March 2013

(first quarter previous year in brackets)

- Net sales, SEK 101.0 (99.3) million
- Growth, 1.7 (-15.3) %
- Growth, currency adjusted, 2.0 (-13.4) %
- Operating profit, SEK 18.0 (14.0) million
- Operating margin, 17.8 (14.1)%
- Net profit before tax, SEK 18.7 (15.3) million
- Net profit after tax, SEK 14.4 (11.6) million
- Earnings per share, SEK 0.88 (0.70)
- Cash flow from operations, SEK 23.0 (6.5) million
- Cash and cash equivalents, SEK 191.9 (143.3) million

Anders Lidbeck, President and CEO, comments:

“The first quarter of 2014 went slightly better than expected. Once again we have set a record for profitability, this time for the first quarter. Never before has Enea had a better margin, a better operating profit or a greater net profit per share in the first quarter of a year.

Perhaps the most pleasing aspect of the first quarter is that we returned to sales growth. The general market trend is a relatively weak market growth and our growth development over the coming quarters will therefore be largely dependent on an increasing royalty revenue.

In the software part of our business, we have seen growth year over year. Growth there stood at 3 percent. We saw both growth and good gross margins in our software business. The business has developed relatively evenly in geographical terms, with a slight weakness in the USA.

Our service business also developed well over the first quarter and grew sequentially quarter on quarter, for the second quarter in a row. We have been awarded a number of new contracts in this field. Among others, we have been awarded a Bridged Services contract in Germany, which is our first contract of this type in Germany. Our ambition in the long term is to be able to win more contracts there, so giving us another major market for these types of contract, alongside the USA. Given the contracts we have at present, in our opinion the sequential growth for our service business should be able to continue over the second quarter as well.

Our market position has developed well over the past year. We are standing firm as an independent software supplier in a world in which our competitors are becoming ever more vertically integrated and linked more tightly with specific kinds of hardware. We are continuing to invest heavily in our product development in order to maintain and improve our competitiveness. More than 20 percent of our revenue is being reinvested in R&D, where more than 40 percent of our staff work. We are continuing to focus on built-in Linux-based solutions in general and ARM as a hardware platform in particular. One result of this work is Enea Linux, a new version of which will be released in Q2 with greatly enhanced content. Our commitment to the world of open source is increasing at the same time – one relevant example is the “Carrier Grade Linux” field. All this constitutes important building blocks for the next generation of solutions for networking and mobile broadband, where new concepts such as NFV (Network Functions Virtualization) and SDN (Software-Defined Networking) will have an important part to play over the coming years. Although revenues in these new fields are a long way off, it is important for us to position

ourselves well both technically and on market terms. We are continuing our efforts to further develop the content of our product portfolio and also to form strategic alliances within these key fields.

The changes made to the sales and marketing organization which came into force from the start of 2014 have developed well. Now, as the second quarter begins, we are making a few minor adjustments and increasing net investment in the sales organization in the USA. We also hope to be able to increase our sales capacity in both EMEA and Asia by means of new recruitments before the second half of the year. We made changes to our product management and increased our investment there ahead of this year. This has also been very significant to us during the first quarter, partly ahead of our Linux 4.0, but we are expecting to see the more significant effects of this during the second six months of this year and afterwards, when our new products start to reach the market.

We are continuing our attempts to improve growth and achieve high profitability. Our aim is to consolidate a 20 percent operating margin and deliver revenue growth year on year.

We will be prepared for ongoing subdued demand, but we maintain our forecast for the year. Our estimate for the whole year 2014 is that profit per share will be improved compared with the previous year.”

Press and analyst meeting

Press and financial analysts are invited to a press and analyst meeting where Anders Lidbeck, President and CEO, will present and comment on the report.

Time: Tuesday April 29, 2014, at 08:30 am CET.

Link: Financial Hearings <http://financialhearings.nu/140429/enea/>

Phone number: SE +46851999353, UK +442033645372

The full report is published at www.enea.com/investors

This information is such that Enea AB (publ) is to publish in accordance with the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on April 29, 2014 at 7.20 CET.

Contact information

Anders Lidbeck, President and CEO

E-mail: anders.lidbeck@enea.com

Sofie Sarhed, Investor Relations



Phone: +46709714005

E-mail: sofie.sarhed@enea.com

About Enea

Enea is a global vendor of Linux and Real-time operating system solutions including middleware, tools, protocols and services. The company is a world leader in developing software platforms for communication-driven products in multiple verticals, with extreme demands on high-availability and performance. Enea's expertise in operating systems and high availability middleware shortens development cycles, brings down product costs and increases system reliability. The company's vertical solutions cover telecom handsets and infrastructure, medtech, automotive and mil/aero. Enea has offices in Europe, North America and Asia, and is listed on NASDAQ OMX Nordic Exchange Stockholm AB. For more information please visit enea.com or contact us at info@enea.com.

Enea®, Enea OSE®, Netbricks®, Polyhedra® and Zealcore® are registered trademarks of Enea AB and its subsidiaries. Enea OSE®ck, Enea OSE® Epsilon, Enea® Element, Enea® Optima, Enea® Optima Log Analyzer, Enea® Black Box Recorder, Enea® LINX, Enea® Accelerator, Polyhedra® Lite, Enea® dSPEED Platform, Enea® System Manager and Embedded for Leaders(TM) are unregistered trademarks of Enea AB or its subsidiaries. Any other company, product or service names mentioned above are the registered or unregistered trademarks of their respective owner. © Enea AB 2014.