

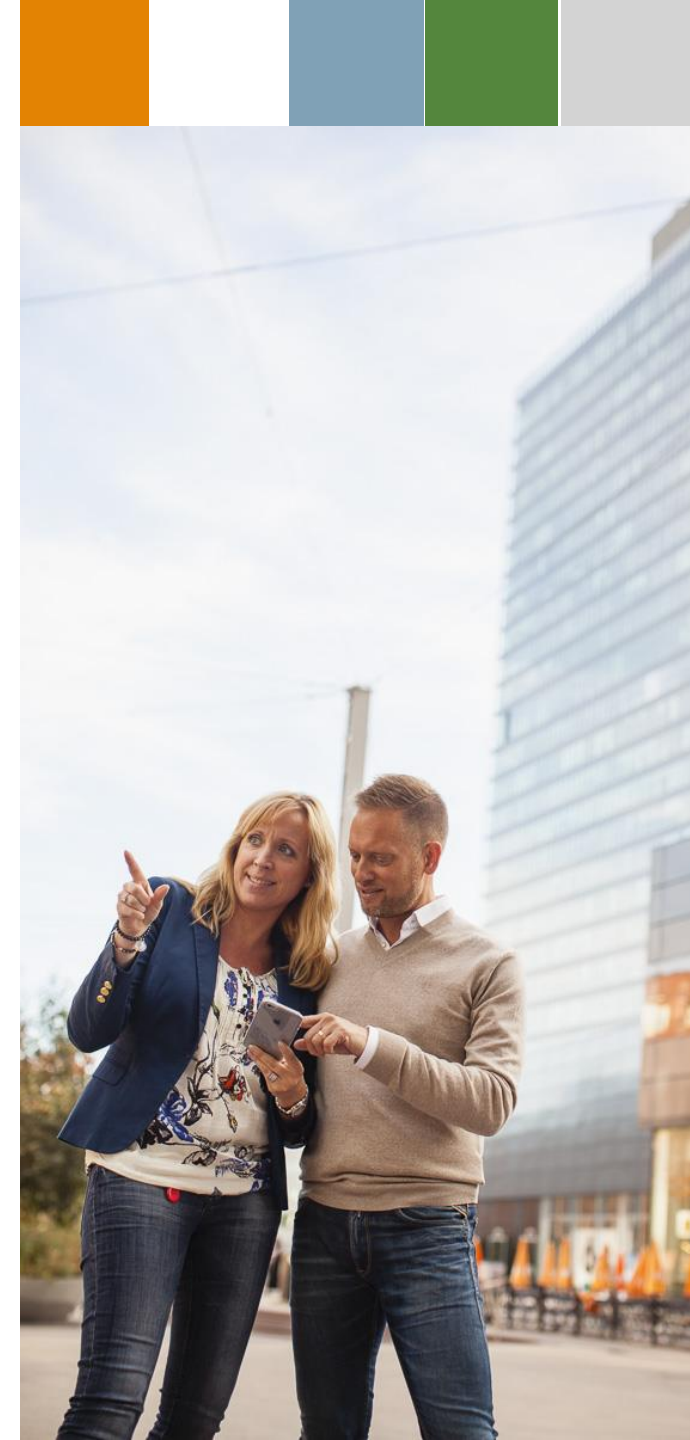


Anders Lidbeck, President & CEO

April 26, 2016

# Agenda

- Enea Intro
- Enea Financials Q116
- Way Forward & Outlook



# A Catalyst for the Connected Society

HEAD QUARTER KISTA, SWEDEN	REVENUE 481.5 MSEK	OPERATING MARGIN 22.9 PERCENT
NO. OF EMPLOYEES 403	R&D OPEX INVESTMENT 19 PERCENT	LISTED NASDAQ STOCKHOLM

*Numbers for 2015*





# Our Business

- **Software Products for embedded applications focused on communication solutions**
  - Operating Systems
  - Network Operating Systems for NFV
  - On Device Management
  - VNF Management
  - Network Management
  - Services Orchestration
  - Proprietary and Open Source

- **Maintenance, Support, and Product Services**
  - Related to our own product portfolio
  - For Open Source based solutions
  - For integrated solutions incl. 3<sup>rd</sup> party

- **Stand-alone System and Software Services**
  - Architecture, design, development, test
  - In-house and or on-site projects
  - Bridged Services

# A Catalyst for the Connected Society

## Our Vision

Our software and expertise help you develop amazing functions in a connected society

More than *3 billion* people rely on Enea software every day, to connect a call or use their mobile phone to get online



# Leading Customers

**NOKIA**



**VOLVO**

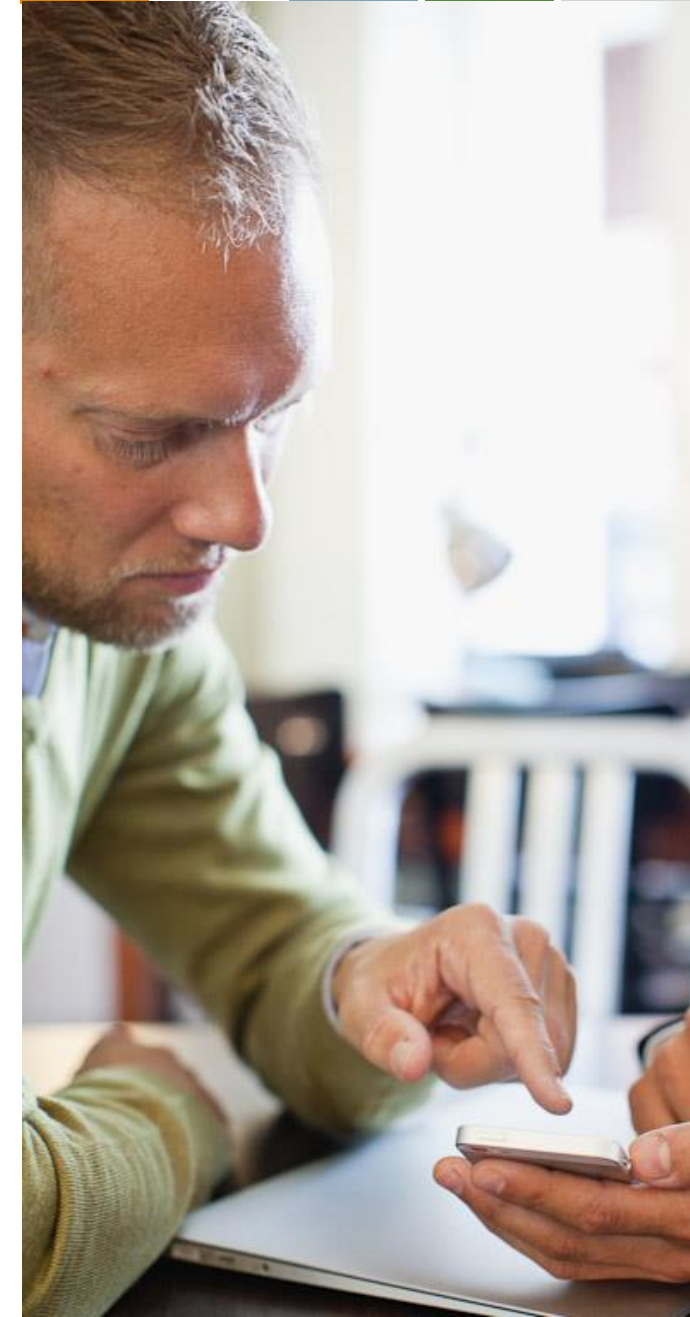


**Honeywell**



**HUGHES**

**ENEA**





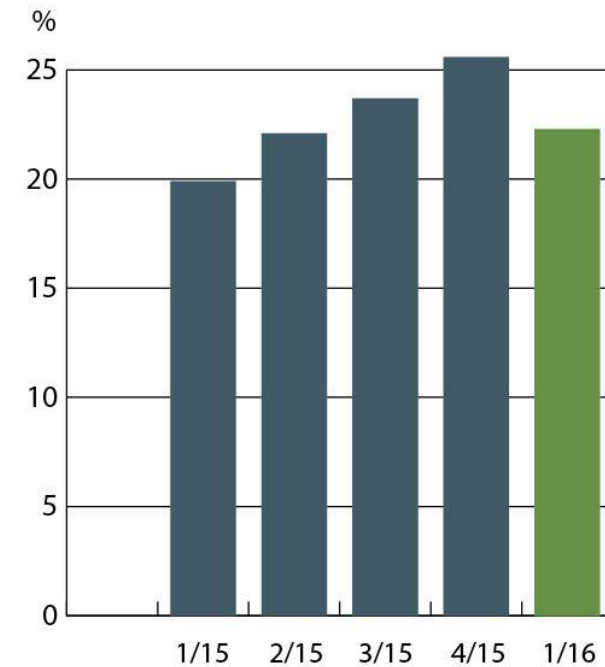
# Financials Q1 2016

# Record Q1 EBIT & Operating Margin

	Q116	Q115
EBIT (MSEK)	26.9	23.3
Operating margin (%)	22.3	19.9
Earnings per share (SEK)	1.38	1.19

	FY15
EBIT (MSEK)	110.0
Operating margin (%)	22.9
Earnings per share (SEK)	5.49

Operating margin



- 16 % EBIT y-o-y growth
- 16 % EPS y-o-y growth
- Highest Q1 Operating Profit and Operating Margin ever
- 12th consecutive quarter of EBIT growth
- 18th consecutive quarter of EBIT margin expansion



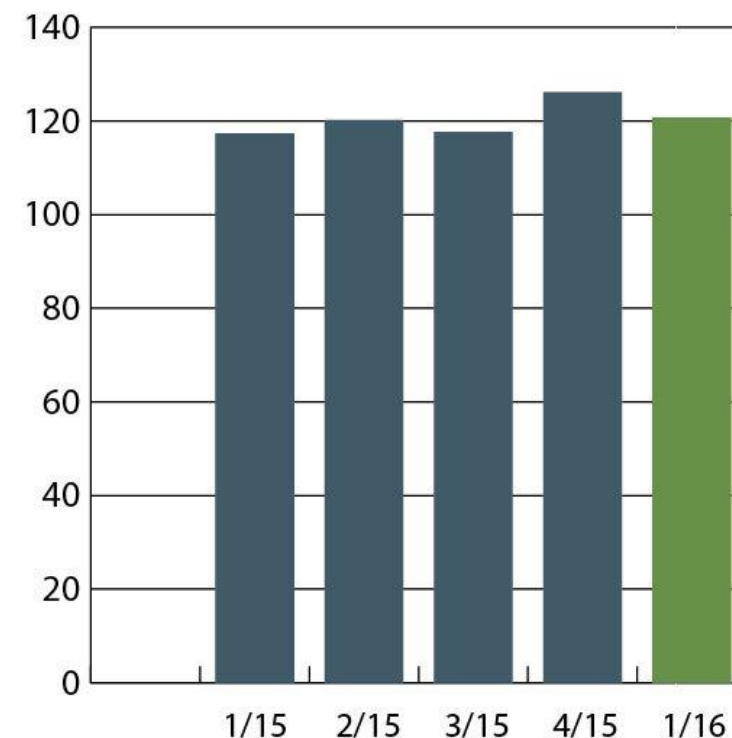
# Record Q1 Revenues

	Q116	Q115
Revenue (MSEK)	120.8	117.4
Revenue growth (%)	3	16
Revenue growth (%) <small>(currency adjusted)</small>	3	8

	FY15
Revenue (MSEK)	481.5
Revenue growth (%)	12
Revenue growth (%) <small>(currency adjusted)</small>	5

## Revenue

MSEK

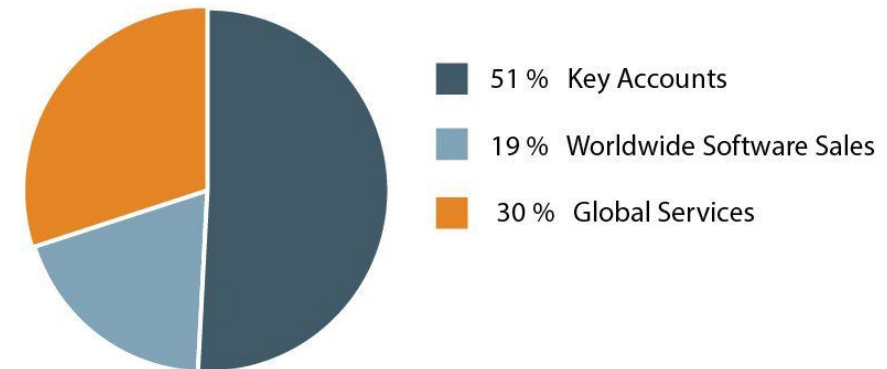


- Highest Q1 revenue since divestment of Nordic Consulting (2011)
- 7th consecutive quarter of Y/Y revenue growth

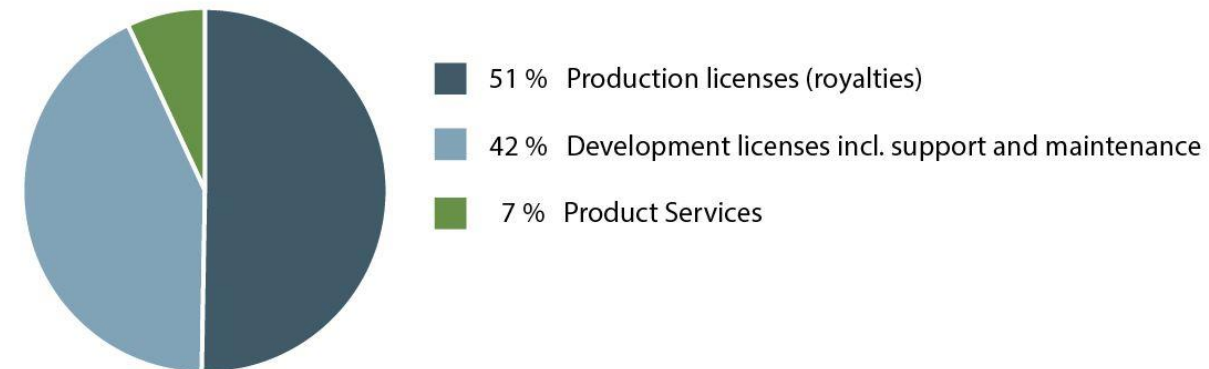
# Double Digit Growth in WW Software Sales

- Revenues from Key Accounts were stable while revenues from Worldwide Software Sales grew with 15% compared with Q115 mainly due to fast growth in Asia.
- Revenues from licenses, including support and maintenance were up slightly over the same quarter last year. Product Services grew significantly mainly due to a one time effect from an earlier customer engagement.
- Global Services revenues were flat over Q115. The local businesses in the US and Rumania developed well while revenues from Bridged Services were soft.

Revenue per business unit (Jan-Mar)



Revenue type, software operations (Jan-Mar)



# Enea Press Release April 18

*"...has signed an agreement for development services worth 2.8 MUSD over a period of 5 months."*

*"Enea has a long record providing the customer with uniquely skilled services teams for avionics systems, software development, quality assurance and design."*

*"Enea's local and global competences and the ability to engage with services operations both in USA and Europe, through our Bridged Services capabilities, was the important criteria for the customer to select Enea."*



## PRESS RELEASE

Stockholm, April 18, 2016  
Enea (NASDAQ OMX Nordic: ENEA)

### **Enea signs a service agreement worth 2.8 M USD with an American aerospace and defense company**

STOCKHOLM, Sweden, April 18, 2016. Enea (NASDAQ OMX Nordic: ENEA) has signed an agreement for development services worth 2.8 MUSD over a period of 5 months. The customer, who is a global technology leader in the avionics industry has once again selected Enea as the supplier based on strong, proven capabilities in the aerospace/avionics industry.

Enea has a long record providing the customer with uniquely skilled services teams for avionics systems, software development, quality assurance and design. Enea's local and global competences and the ability to engage with services operations both in USA and Europe, through our Bridged Services capabilities, was the important criteria for the customer to select Enea.

"We are thrilled that we once again have been selected by this key customer for a major project", says Anders Lidbeck, President and CEO for Enea. We see a growing interest for our capabilities within the avionics industry in USA and Europe and this agreement shows that Enea is a partner to count on also when delivering security-critical services to the Avionics industry".

# Revenue Split per Region

- **Europe**

European revenues growth compared with the same quarter last year.

SW Sales increased compared with the same quarter last year.

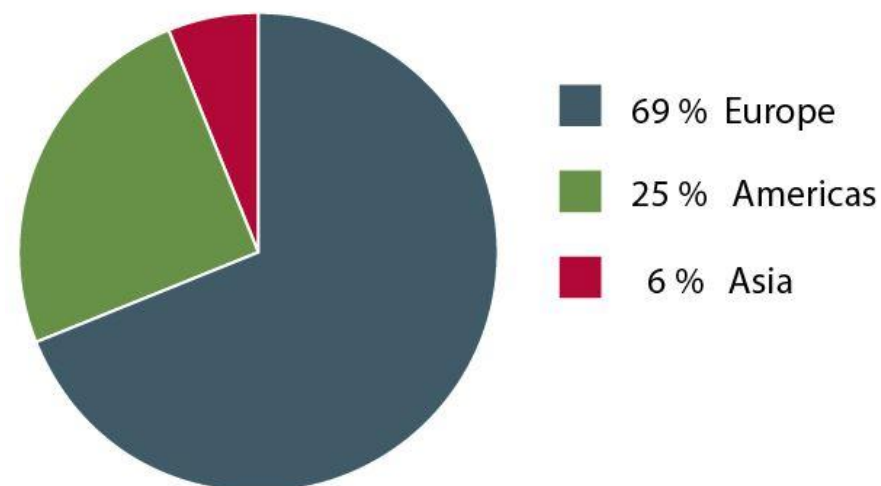
- **Americas**

Soft quarter in the Americas compared with the same period last year but with strong development of local US Services.

- **Asia**

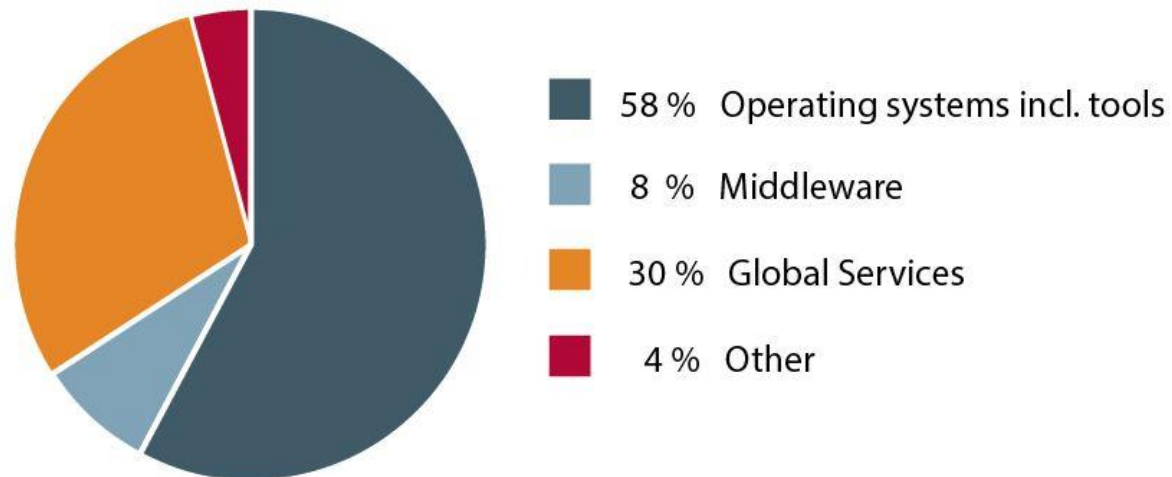
Continued double digit revenue growth compared with the same period last year.

Revenue per region (Jan-Mar)

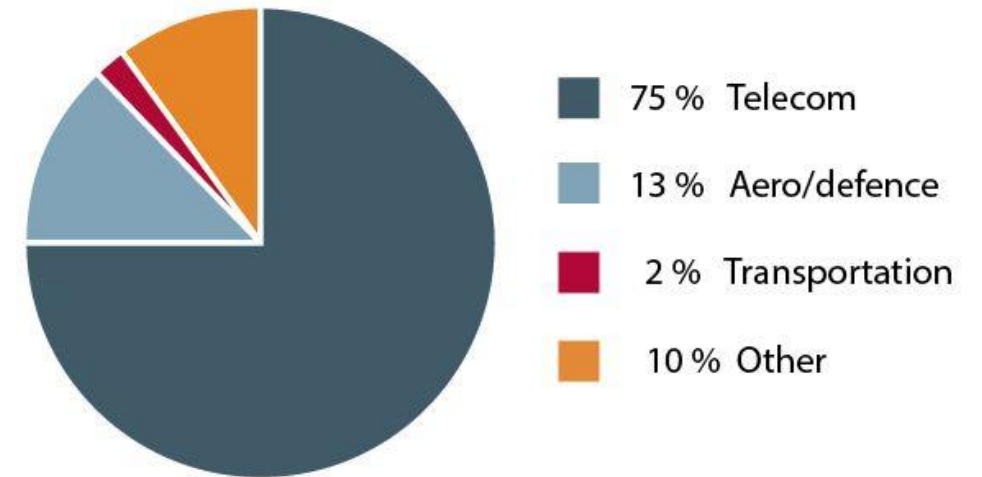


# Revenue Split per Product & Segment

Revenue per product group (Jan-Mar)



Revenue per customer segment (Jan-Mar)

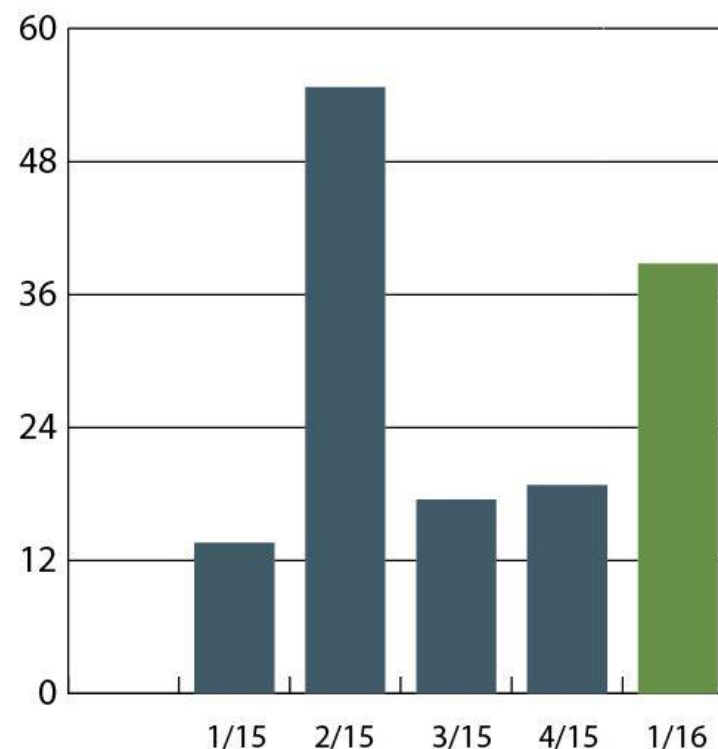


# Strong Financial Position

- Q116 cash flow from operations 38.8 (13.6) MSEK.
- 9 % growth in Q116 cash flow before change in working capital 27.9 (25.5) MSEK.
- Q116 Current receivables 164.0 (181.7) MSEK.
- Cash, cash equivalents and financial investments at the end of the quarter were 227.8 (222.5) MSEK.
- Enea has no debt and unused credits of 15 MSEK.
- The equity ratio was 75.3% (77.8%).
- The Board is proposing 4.20 (3.60) SEK per share in dividend, approx. 69.1 (60.3) MSEK, in the form of an automatic redemption program.

## Cash flow from operations

MSEK





# Way Forward & Outlook

# Significant Investment in R&D

18% in R&D investment for Q1 2016

- **We focus on communication systems and expertise**  
Telecom and networking are the bases of our portfolio and customer base.
- **We embrace new open source solutions and initiatives**  
We also strive to integrate our existing portfolio in a an open context.
- **We focus on the ARM Architecture**  
Our ambition is to become the leading independent software vendor for the ARM ecosystem.





# Our Strategy & Investment Areas

Our software and expertise help you develop amazing functions in a connected society

**COSNOS – The Network OS**

Strategic Pillars

We focus on the next generation telecom/networking systems (NFV/SDN/Cloud).

(Strategic Decision)

We focus on open solutions and strive to integrate also our proprietary products in an open context.

(To be relevant)

We focus on the ARM ecosystem.

(To be competitive)

We broaden our view to also consider the application domain (VNF space).

(To be profitable)

Existing Products and Services

# Enea Press Release April 14

*"...today announced that they will demonstrate an integration of the latest OPNFV software release called "Brahmaputra" on ARM®-based hardware at NFV World Congress."*

*"Operators, Telecom Equipment Manufacturers, and suppliers of VNFs with a strategic choice to outsource their NFV related development, wholly or in part, will find great value in Enea's packaged services..."*

Ongoing discussions in multiple areas:

- With ARM – next phase
- With Operators – proof of concepts
- With HW-manufacturers – implementations
- And more..



## PRESS RELEASE

### **Enea demonstrates ARM based OPNFV Brahmaputra integration at NFV World Congress**

**Enea accelerates virtualized network function development, testing,  
and deployment through the Enea NFV Lab**

**STOCKHOLM, Sweden, April 14, 2016** – Enea® (NASDAQ OMX Nordic:Enea), a global supplier of network software platforms and world class services, today announced that they will demonstrate an integration of the latest OPNFV software release called "Brahmaputra" on ARM®-based hardware at NFV World Congress. The demonstration will be made using Enea's OPNFV Pharos compliant NFV Lab.

OPNFV is a carrier-grade, integrated, open source platform to accelerate the introduction of new NFV products and services. Compared to its predecessor Arno, Brahmaputra contains several new and updated components, which provide new features and performance enhancements to the growing OPNFV ecosystem, along with enhanced advancements in infrastructure and testing environments.

The demonstration consists of a Network Function Virtualization (NFV) deployment on 64-bit ARM technology, based on OPNFV's reference platform, which supports a network of Virtualized Network Functions (VNFs) generating traffic that is administrated by a Deep Packet Inspection application.

Operators, Telecom Equipment Manufacturers, and suppliers of VNFs with a strategic choice to outsource their NFV related development, wholly or in part, will find great value in Enea's

# Broadcom Press Release April 19

*"In addition, Broadcom and ecosystem partner ENEA will demonstrate an ARM-based vCPE platform."*

*"The collaborative demonstration will show an OPNFV-compliant multi-layer virtualization platform built on top of the BCM5871x SoC for deploying VNFs using OpenStack and VNF service layer management with NETCONF and YANG."*

Ongoing discussions in multiple areas:

- An OPNFV-based vCPE platform, potentially including Enea Element.
- OpenFastPath for Broadcom devices
- Enea Linux for NorthStar 2

News Release | Broadcom

## Broadcom Announces Volume Production of Quad-core 64-bit 2GHz ARMv8 SoCs

**Highly-integrated Communication SoC Platform with Industry's First Quad-core A57 CPU  
Delivering 34,000 DMIPS below 10 Watts**

SAN JOSE, Calif., April 19, 2016 (GLOBE NEWSWIRE) -- Broadcom Limited (NASDAQ:AVGO), a leading designer, developer and global supplier of a broad range of analog and digital semiconductor connectivity solutions, today announced volume production of its new series of quad-core 64-bit 2GHz ARM® v8 Cortex®-A57 communication processors, the StrataGX™ BCM5871x, targeting a broad range of networking applications including virtual CPE (vCPE) and NFV appliances, 10G service routers and gateways, control plane processing for Ethernet switches, and network attached storage (NAS). The BCM5871x combines advanced computing, networking and virtualization functions on a single SoC with the industry's first quad-core A57 CPU delivering 34,000 DMIPS below 10 watts, providing unprecedented levels of integration and setting a new bar on performance and power efficiency.

Next generation customer premise equipment (CPE) use virtualization to collapse multiple dedicated appliances into single virtual CPE (vCPE) systems. These new vCPE platforms run several virtual network functions (VNF's) such as vFirewalls and vRouters simultaneously in software. This allows service providers to more rapidly deploy services, thus increasing their revenues, and also reduces both their Capex and Opex by consolidating equipment and reducing maintenance costs. The BCM5871x integrates a server-class network interface controller with virtualization, stateless offloads, and packet processing capabilities, which significantly improves overall system performance when running multiple VNFs on chip, providing an industry leading vCPE platform.

"According to our IHS Infonetics global service provider surveys, operators are investing their time and energy into deploying vCPE as #1 among the many NFV use cases," stated Michael Howard, senior research director and advisor at IHS Technology. "Operators also consider vCPE as the #1 use case for helping to drive new revenue, the #1 for lowering capex, and the #1 to improve operational efficiencies."

"Our customers across a wide range of applications demand low power, high performance ARM based processors," said Ed Redmond, Senior Vice President and General Manager of the Compute and Connectivity Division at Broadcom. "The StrataGX processor family has led the industry in migration to ARM processors, particularly in the retail and enterprise wireless router markets, as well as in service

# Tele2 Press Release March 23

*"Tele2 has decided to move its Network & IT functions into the cloud, using Network Function Virtualization (NFV) in order to enable a smarter, user-friendly, future-proof and even more cost efficient internal management."*

*The 5G standard will be ready by 2020 and in the field one or two years later. Cloud and virtualization are important building blocks in the foundation of 5G technology."*

*"Tele2 is embracing open source as a way to speed service deployment and keep costs low."*

## **Tele2 moves internal infrastructure to the cloud to cater for 5G**

Stockholm – Tele2 AB, (Tele2), (NASDAQ OMX Stockholm: TEL2 A and TEL2 B) today announces a shift in technology whereby Tele2's Network & IT functions are moved to the cloud.

Tele2 has decided to move its Network & IT functions into the cloud, using Network Function Virtualization (NFV) in order to enable a smarter, user-friendly, future-proof and even more cost efficient internal management.

This exciting shift of technology will enable Tele2 to deliver a wider set of services to its customers within all segments including Business, Consumer and Internet of Things (IoT). Big Data with advanced analytics will also be vital part of the implementation.

Niklas Sonkin, EVP and COO, Tele2 AB, comments: "This is an important step for Tele2 in further strengthening our position as a technology frontrunner. We are strong believers in 5G and are actively contributing to the evolution of 5G as a member of NGMN. The 5G standard will be ready by 2020 and in the field one or two years later. Cloud and virtualization are important building blocks in the foundation of 5G technology."

Tele2 is embracing open source as a way to speed service deployment and keep costs low. Tele2 has therefore chosen OpenStack as the foundation for our private cloud. Canonical will provide and manage OpenStack for Tele2 and Canonical's generic VNF manager, Juju, will be used for the onboarding of new services. Huawei will be providing the rack mount servers. Cisco is the chosen Network Vendor and will provide their ACI solution. The entire data center network will be built on a future proof spine/leaf network with modern 25Gb/100Gb connectivity.

Tele2 expects to have the first live application in the form of a virtual Evolved Packet Core (vEPC) in the cloud by Q3 this year.

**For more information, please contact:**

Viktor Wallström, Director of Communications, Tele2 AB, Phone: +46 703 63 53 27





# The Ecosystem is Key

## Partners



## Community Memberships



# Long Term Ambition

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

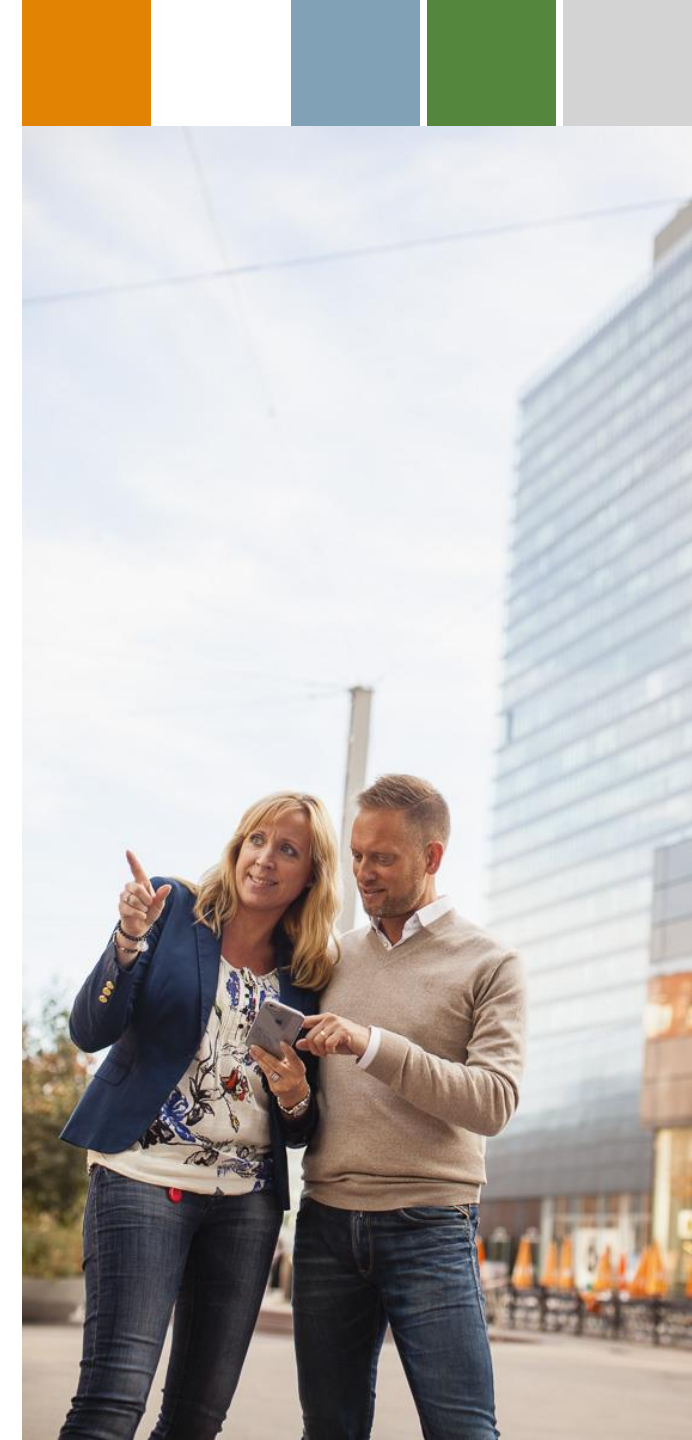
Growth will vary between years and quarters, depending on the timing of individual deals and the progress of royalty streams, which depend on customers' sales volumes. Operating margin will vary over the quarters of this period, corresponding to growth. Enea's objective is to maintain an operating margin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



# Market Outlook

- **Outlook 2016**

Our objective the full year 2016 is to achieve revenue growth and our assessment is that earnings per share will improve compared with 2015.





# Thank You!

For additional information on Enea,  
please contact:

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