ENEA 2013 ANNUAL REPORT

ENEA IS DRIVING THE WIRELESS INFRASTRUCTURE

ENEA

2013 ANNUAL REPORT

ENEA IN 5 MIN

LEADING TELECOMS CHOOSE ENEA

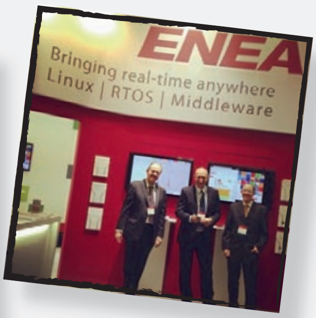
World-leading telecoms turn to Enea when building their wireless communication infrastructure. Enea offers solutions for a wide range of real-time systems, so companies in medical technology, aerospace, automotive and many other segments are also on the customer list.

You have probably used Enea's technology today without even realising it. Every day, millions of people use Enea's software for their mobile calls and data communication. Enea's operating systems are embedded in most 3G/4G infrastructures around the world.

RTOS + LINUX

Enea is one of the few companies in the world that can offer a combination of real-time operating systems (RTOS) and Linux. Enea has extensive experience in the RTOS market and recently launched a Linux solution. The combination of RTOS and Linux presents new opportunities for Enea in the global market.

PRODUCTS AND SERVICES FOR COMPANIES THAT DEVELOP COMMUNICATION-INTENSIVE PRODUCTS



Enea offers products and services for companies that develop communication-intensive products. Operating systems are the core of the company's product portfolio and are sold as part of custom solutions. Different types of operating systems are required, depending on where they are located in the system, what other systems they integrate with and the features that are requested. Real-time operating systems are used when high performance and predictability are critical. In addition to operating systems, Enea offers development tools, databases, middleware, communications protocol and communication software. Enea's products are customised in large-scale total solutions, where the range of services and expertise is at least as important as the products.

REAL-TIME OPERATING SYSTEMS

Enea OSE and Enea OSEck are Enea's market-leading real-time operating systems.

LINUX

Enea Linux was launched in 2012 and is designed for embedded systems and to meet the needs of the telecom market.

MIDDLEWARE

Enea Element, Enea Polyhedra and Enea Netbricks are three examples of Enea's middleware offering. Middleware is the software that sits between the operating system and its applications.

SERVICES

Enea's Bridged Services concept offers broad expertise in a wide range of areas, including telecom and medical technology.

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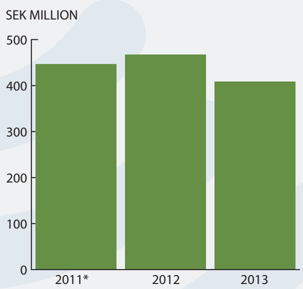
ENEA IS BUILDING TOMORROW'S SYSTEMS

Building tomorrow's wireless infrastructure is a complex task that requires expert knowledge. Enea is an expert in this field with extensive experience in managing large-scale global projects in which future-proof solutions are built in partnership with the customer.

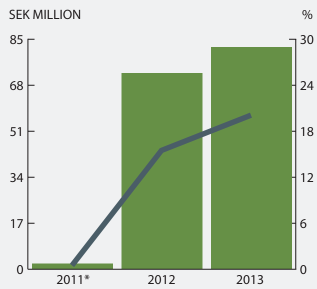
KEY DATA	2013	2012
Net sales, SEK million	408.5	467.8
Growth, %	-12.7	4.7
Growth, currency adjusted, %	-11.0	3.6
Operating profit, SEK million	82.1	72.5
Operating margin, %	20.1	15.5
Profit before tax, SEK million	83.8	76.7
Profit after tax, SEK million	63.2	53.6
Profit, divested business, SEK million	-	61.7
Earnings per share, SEK	3.83	3.18
Cash flow from operating activities, SEK million	76.6	80,1
Employees at year-end	387	415

SALES



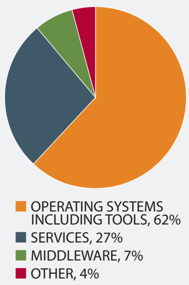
*) Excluding divested business

OPERATING PROFIT AND OPERATING MARGIN

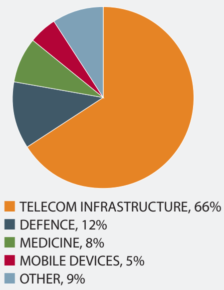


*) Excluding divested business

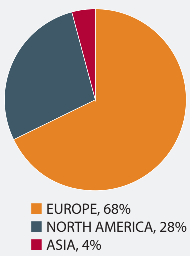
SALES PER PRODUCT, %



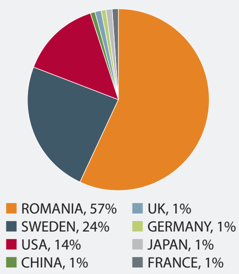
SALES PER SEGMENT, %



SALES PER REGION, %



EMPLOYEES PER COUNTRY, %



Record profit in 2013 provide a solid foundation for the future

2013 was a record year for Enea. Never before has the company earned so much money, or achieved an operating margin of more than 20 percent. When we announced our long-term profitability target of a 20 percent operating margin three years ago, we had just concluded a year with an operating margin of less than 10 percent. However, our very clear ambition was to develop the profitability potential that we knew existed within the company. We wanted to focus the company on the profitable global software business and our global services offering, which was also highly profitable.

In 2013, we strengthened our operating margin every quarter compared with the corresponding year-on-year periods. In the second, third and fourth quarters, we also achieved a margin of more than 20 percent and for the full-year 2013, the margin was 20.1 percent. This profitability trend has been very satisfying.

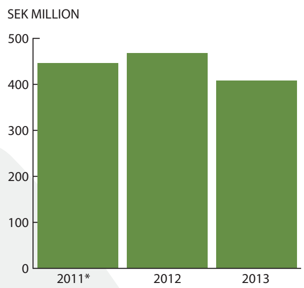
The profitability improvement is especially gratifying since we also invested substantial amounts in our product development. Over the past 24 months, Enea has developed and launched a Linux offering with unique add-on products. We are now taking an active role in relevant partner organisations around Linux and forming strategic partnerships with key hardware players. This was demonstrated at the Mobile World Congress 2014 when we collaborated with three major international partners. Our Linux offering has the potential to attract new customers.

Our largest product, OSE, has been strengthened with both performance improvements and new functionality, such as support for 64-bit hardware. Our increasingly significant product OSEck, an operating system originally designed for signal processors, has also been improved. New sales of OSEck were surprisingly positive during the year. Particularly promising is the combination of OSEck, Linux and our communications solution LINX. Together, they provide a unique offering in the highly competitive System-on-Chip (SoC) market. We will continue to invest heavily in product development and within that context, I also include our work with partner organisations and partners. To safeguard our competitive edge in international markets, we invest more than 20 percent of our total sales and 30 percent of our software sales in product development. With 40 percent of our development organisation in Sweden, 50 percent in Romania and the remaining 10 percent across the US, UK and France, we also have a highly cost-efficient development organisation with the required global influences. We also have a clear and intense focus on quality, with both external certification and close quality relationships with our key customers.

Although we are very satisfied with our profitability trend, our new products and the opportunities they provide, 2013 was a troublesome year from a revenue perspective. This was mainly due to a decline in services sales in 2013. Federal budget cuts in the US had a direct impact on our customers' projects. More than one-third of consulting revenue is dependent on defence projects, which are funded through US federal spending. However, our US services business is profitable and we introduced a number of measures to offset the revenue decline in the defence industry. In the fourth quarter, we also signed an agreement with yet another new customer in the US. This agreement was also related to our Bridged Services concept, for which a small amount of the work takes place in the US in close contact with the customer and the rest is conducted in Romania. As a result, Bridged Services bypassed local US services sales during the year and accounted for the largest single share of our global services business for the very first time.

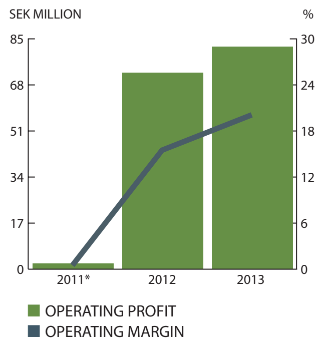
"Over the next five years, we aim to create a global software company with significantly higher sales, high profitability, strong cash flows and a high proportion of recurring revenue".

SALES



*) Excluding divested business

OPERATING PROFIT
AND OPERATING MARGIN



*) Excluding divested business

Bridged Services is also the part of services sales that generates the strongest gross margins.

Throughout 2013, we also experienced challenges in our software sales. While new sales were generally slow, this area was particularly slow in the US. However, one bright spot was China, where new business reached record levels in 2013. We also secured our first three, totally new Linux contracts during the year, one in Asia, one in Europe and one with a US customer. Each of these contracts is totally unique and demonstrates the new opportunities created by our Linux offering. Our Linux offering has the potential to attract new customers in new markets. While the business model for Linux is different, it is consistent with our endeavour to sign time-limited agreements. Over the past two years, we have focused on increasing our recurring revenue and seen a significant rise in the proportion of recurring business.

To increase the pressure in our various markets, we introduced a change in our sales and marketing organisation at the end of the fourth quarter, which came into effect in early 2014. A number of other changes were also made to the organisation, with the aim of strengthening our customer offering and enhancing efficiency.

I would like to thank our shareholders, customers and employees for the trust you have shown over the past year! We will continue our efforts to achieve improved growth, high profitability and create unique value for our shareholders, customers and employees all over the world. Our long-term ambition from 2012 to create a global software company with significantly higher sales, high profitability, strong cash flows and a high proportion of recurring revenue remains solid.

March 2014

Anders Lidbeck
President and CEO

Software defines the next generation network

Enea's main market comprises companies that develop products for communications infrastructure. While a large proportion of Enea's revenue is generated by contracts in existing telecommunication networks, we have noted a transformation of the network architecture with a greater focus on software. Operators are striving to separate the software that defines networking functionality from the underlying hardware. In such a network architecture, we see a potentially broader role for Enea in terms of our existing products as well as our services offering.

Tobias Lindquist, Chief Technology Officer at Enea.

New-generation integrated circuits, or System-on-Chip (SoC), create a need for communications solutions in other segments and industries. This presents continuous opportunities for Enea to grow in new areas – areas in which we can benefit from both our product portfolio and the expertise we have developed.

Enea currently provides services and products in areas ranging from consumer products and vehicles, to infusion apparatuses for healthcare and large network-critical elements for both mobile and fixed-line communications.

We presented some questions about our key telecom market to our CTO, Tobias Lindquist.

How profitable is telecom?

In terms of sales, telecommunications is still the largest segment for embedded software and we consumers are doing more and more with our smartphones. Our mobile lifestyle reinforces patterns of behaviour in which social media, applications and cloud services are constantly communicating. Video streaming now accounts for nearly half of all mobile traffic.

According to Cisco, data traffic will increase eleven-fold between 2013 and 2018. Despite this, payment models are not keeping pace with data consumption patterns and mobile operators are finding it difficult to sustain their margins. Pressured economic conditions create a need for software solutions that can better manage system complexity and increase the utilisation of existing equipment. SDN (Software-Defined Networking) and NFV (Network Functions Virtualization) are two examples of such software solutions and we are developing our product portfolio, in partnership with our hardware partners, to help our customers remain competitive.

What are the current trends?

More and more devices are communicating with each other and with the cloud, and it

MIDDLEWARE

Middleware is usually defined as software that provides services between an operating system and an application. Middleware bridges the gap between where the operating system ends and where the application begins, making it easier for software developers to manage communication and data on either side.

Enea offers middleware for large-scale, complex and distributed systems in networks, in which the services demand consistently high levels of performance.

Our software is compliant with the Service Availability Forum (SAF) standard, which is a common requirement for embedded telecom systems and for military use.

The ability to handle system factors such as scalability, predictability, availability, modularity, redundancy and fault recovery is fundamental and here, Enea's middleware provides both services and tools that facilitate the entire product lifecycle from design and development to deployment, operation and maintenance.

Enea at the LinuxCon Europe event with visitors to the Enea booth.

is possible to access, control, configure or measure more and more things from your computer or phone, even when they are physically located on the other side of the globe.

- Fast and reliable connection anywhere at any time has become the new standard. Today's consumers expect a high threshold level for their data transmission and base their choice of provider, to a large extent, on perceived performance. This leads to continued high pressure on intelligent systems that optimise bandwidth utilisation.
- New online services are blurring the boundary between server and network. Operators see potential for new business opportunities through new types of cloud services. Network manufacturers have also introduced distributed base stations that enable new types of resource management in networks.

One of our engineers describing the day's programme at the first hacker event arranged by Enea in North America.

THE COMMERCIAL POWER OF LINUX

A phenomenon that rocked enthusiast and student circles in the early 2000s and was never expected to have any impact on the established, commercial world has now gained tremendous significance for today's embedded software systems. Nearly all operating system manufacturers have seen their market shares shrink in favour of Linux, which is now the engine in everything from consumer electronics to industrial applications, medical and automotive technology.

Analysts from VDC Research and UBM predict a continued wave of success stories, in which Linux is adopted as the operating system of choice and the reasons are many:

The functionality of Linux is unsurpassed due to active participation by numerous companies and enthusiasts who share their source code and expertise in a Linux community. At the same time, the quality-assurance of Linux is driven by increasingly relevant special cases.

Now that Linux is so well-established and taught at universities and colleges, there is a large supply of engineers with Linux expertise.

At the same time, the Linux source code has grown and users do not always need all code or functionality. Neither is there any guarantee that individual users possess the expertise or resources to choose the right software package for their needs or to create a satisfactory Linux distribution.

To address this complexity, the Yocto Project was launched in 2010 – a meritocratic partnership between project members from the industry that aimed to provide templates, tools and methods for creating custom Linux-based systems for embedded products, regardless of their underlying hardware architecture.

Enea became a member of Yocto in 2012 and launched its Enea Linux distribution in the same year. The distribution is based on Yocto software packages, specifically selected for compliance with telecom specifications. The distribution has undergone extensive quality-assurance by Enea and is compatible with OSE and other Enea products, which is highly relevant to both existing and new customers.

The benefits of being able to offer a Linux system with a proprietary design outweigh the alternative of working with a partner. There are attractive business opportunities for Enea to become a Linux distributor for customers requiring a high degree of adaptation, in which Enea can provide a full-service offering, as well as operation, maintenance and legal accountability for the integrations required.

Enea is no Linux newbie.

- In 2006, Enea demonstrated a para-virtualised version of Linux using ARM together with OSE, and created an alliance with MontaVista for a Linux offering to the telecom market.
- In 2009, Enea was contracted by Ericsson to develop a hypervisor to enable coexistence of Linux and OSE in the system, and also launched the Embedded Linux Project Framework (ELPF).
- In 2011, Enea became a provider of Linux services to Ericsson's TD-LTE project in China.

Enea's historical telecom and communications profile guarantees first-class expertise and a high level of industry and customer insight. Enea's breadth in being able to offer optimised solutions for all types of operating system challenges, including Linux, RTOS and middleware, is also a competitive advantage.

- Ericsson, Enea's largest customer, predicts about 50 billion communicating devices by 2020. Most mobile connections in the future will be created by machines that communicate with other machines.

Where are Enea's products?

Enea's product portfolio can be divided into three main areas: Linux, RTOS and Middleware. Products from each of these categories function both separately and together, depending on the use case. They are currently found in a wide range of places – medical equipment, robots, vehicles and modern telecom systems:

- in mobile broadband and base stations,
- in backhaul networks connecting the mobile broadband with the backbone or kernel of the network,
- in mobile switches and optical networks,
- in the infrastructure for delivering multi-media services.

Many next-generation system architectures are wholly or partially based on open source code and Linux, and Enea's Linux solution fills a market niche here. However, when the standard Linux is unable to satisfy performance requirements, Enea's real-time solutions can fill the gap.

Since telecom systems are usually highly complex, Middleware products are commonly used. Enea Element is such an application framework that facilitates system operation and resource management (such as system settings and software updates) during operation and is ideal for both embedded systems and in the cloud. Enea also offers added functionality such as databases, signalling protocols and a framework for transparent communication in distributed systems.

What does the competition look like?

When developing a new product, a processor is still the first choice for many developers, but the role and significance of the software has recently grown and the actual operating system has become the first choice, particularly for organisations with a virtualised software solution (solutions that often include multiple operating systems) in their products.

On a global basis, Wind River, Green Hills Software and QNX Software are Enea's key competitors, but replacing one commercial operating system with another is not a natural move. In addition to new license fees, the final bill for the transition costs also includes pure development expenses for porting applications from the old system to the new one. However, many players are showing increased interest in moving toward Linux and migrating parts of their code base. Enea's largest commercial Linux competitors are once again Wind River, but also Mentor Graphics and MontaVista.

How does Enea work with open source code?

The significance of open source code in the market, and in the Linux operating system with supporting utilities in particular, continues to grow. Functionality growth is rapid and many commercial software vendors are responsive to trends in the open source community and adapting their products to run under Linux.

DID YOU KNOW

that Enea is driving the development of smarter command and control mechanisms for tomorrow's telecom networks?

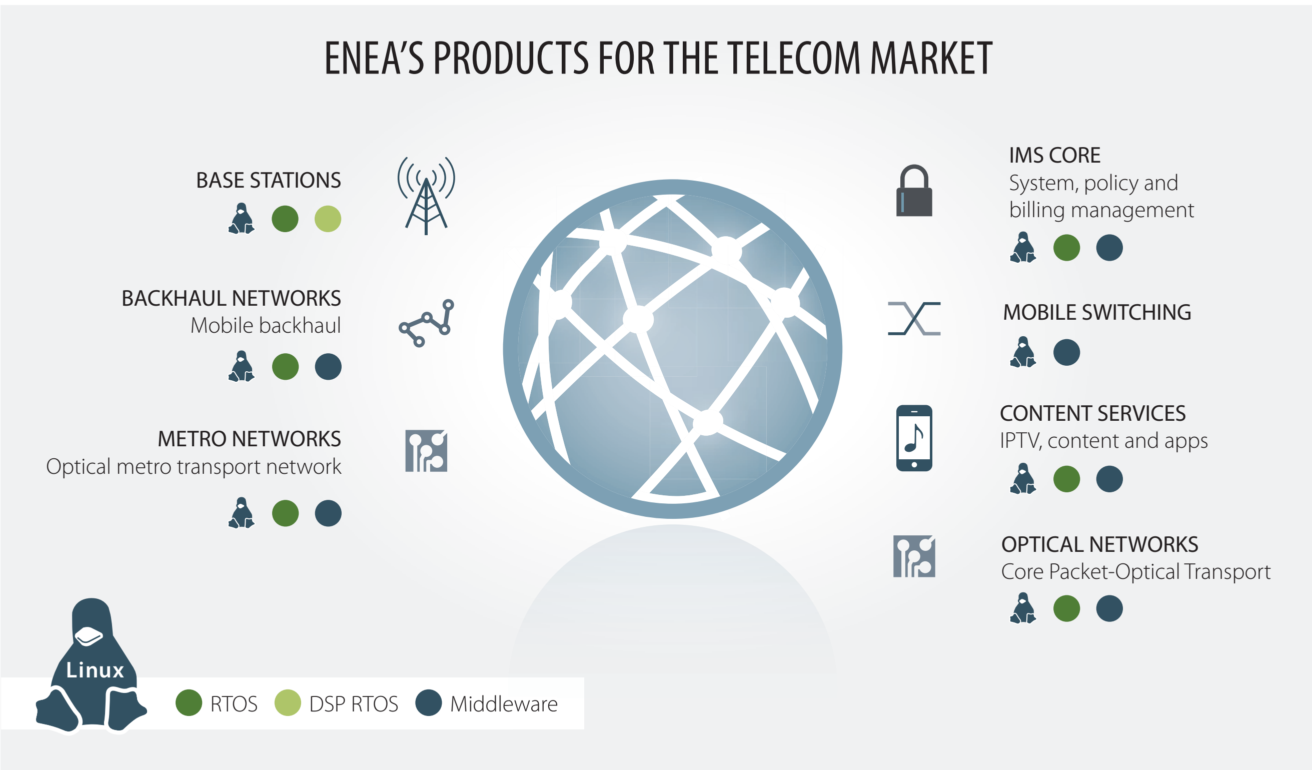
Enea believes in open source code and is a member of such organisations as the Yocto Project and Linaro, in which Enea partners with other industry leaders to actively define the future of Linux, and will benefit both Enea and its customers.

In early 2014, Enea also launched Open Enea Linux, the first completely open version of a commercial embedded Linux distribution with ecosystem support, which Enea hopes will gain traction with both professional developers and enthusiasts.

What is a typical application for Enea's integrated technologies?

Enea is a leading provider of application platforms for integrated circuits, or System-on-Chip (SoC). Electronic functions that previously required separate chips on multiple circuit boards can now be placed on a single chip.

The same SoC can contain processors for signal processing, network processing and data management. In turn, this requires various operating systems, such as Linux for data management, and real-time operating



REAL-TIME OPERATING SYSTEM (RTOS)

An RTOS must be predictable in terms of time as opposed to an operating system for a PC or a mainframe, where a calculation or print-out will still be correct when it is a few seconds late. An RTOS can therefore be responsible for critical systems, in which a correct function is performed in time. Another related requirement is that the response time is short enough to handle the task, which disqualifies most common operating systems.

systems for signal processing. The operating systems must communicate to solve a variety of system issues, such as how to start and stop all parts of the system correctly, how to locate faults in the system, how to optimise energy consumption, and so forth.
Due to broad expertise and high-quality operating systems, Enea can offer optimised solutions for these systems. With Enea's assistance, porting applications between hardware is easy, which to a certain degree consolidates the industry and eliminates porting obstacles, accelerates innovation and allows more freedom when choosing a hardware vendor.

What is Enea's market share?

According to the VDC Research Group (2012), the total embedded operating system market (including services) was estimated to be about USD 1,400 million in 2013. Enea holds third place in the global ranking (after Wind River and Green Hills Software), with a market share of 9.7 percent.

- In 2014, the expected general market growth is 6 percent.
- In 2013, the embedded/real-time operating systems market amounted to USD 940 million.
- In 2013, the telecom market amounted to USD 265 million, with expected growth of 6 percent to USD 285 million in 2014.
- Telecom was the largest vertical with 19 percent of the market.

What is Enea's long-term ambition?

New technologies and new patterns of behaviour are driving the future in two different ways, and jointly increase demand for Enea's products and services. They lead to more devices with embedded systems and to increased data traffic, which requires investment in telecom infrastructure.

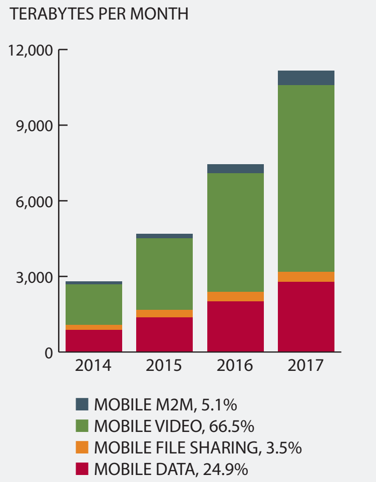
Today, Enea is a world leader in RTOS and with our operating system solutions, we successfully fulfil the needs of our customers.

Our strongest niche at present is telecom, but we also see clear synergies with other industries in which we could contribute substantial value. Enea's potential for long-term growth is therefore highly favourable.

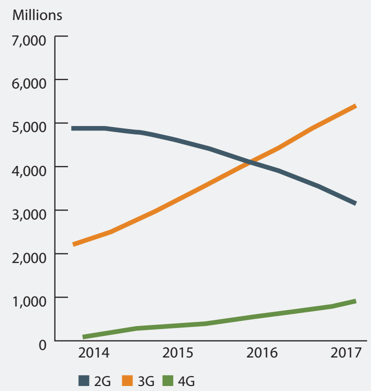
DID YOU KNOW
that more than half of the world' s radio base stations contain operating system solutions from Enea?

GROWTH

NETWORK TRAFFIC



GLOBAL MOBILE DEVICES AND CONNECTIONS PER GENERATION



Source: Cisco VNI Mobile Forecast, 2013

CEO Anders Lidbeck presents the 2012 results at the 2013 Annual General Meeting.

Enea at the Embedded World Exhibition in Nuremburg.

"Quiet please, action, rolling!" The Product Manager for Element films an on-demand seminar.

Reporting from a partner event with Freescale for our YouTube Channel.

The Board and CEO of Enea AB (publ), Corp. Reg. No. 5562097146, with its registered office in Stockholm, hereby submit the Annual Report for the Parent Company and the Group for the financial year 1 January-31 December, 2013.

Focused strategy improved profitability

Enea is a global provider of software solutions, including Linux and real-time operating systems, middleware, tools and protocols as well as consulting services. We are world leaders in the development of software platforms for communication-driven products with extreme demands on high availability and performance. Our expertise in operating systems and middleware helps companies shorten their product development cycles and reduce costs, while increasing reliability.

Sales

In 2013, Enea's sales amounted to SEK 408.5 million (467.8), down 12.7 percent (up 4.7). Adjusted for currency, sales declined 11.0 percent for the full-year. Sales of time-limited licenses for software development, including support and maintenance, remained unchanged compared with the preceding year, while revenue from non time-limited development licences declined. Production licenses, which are largely dependent on customers ' sales volumes, rose slightly compared with the preceding year. Non-recurrent revenue from production licenses declined, while recurring revenue from production licenses increased. Support and maintenance has been included in the concept of time-limited development licenses since the fourth quarter report for 2013. Services sales declined in 2013.

Profits/loss

Enea's operating profit amounted to SEK 82.1 million (72.5), corresponding to an operating margin of 20.1 percent (15.5). Currency effects on the Group's earnings were marginal.

The gross margin for the full-year amounted to 72.7 percent (70.4). This improvement was mainly attributable to declining sales of third-party products and services. In 2013, the principles for cost allocation between sales and marketing, product development and administration were slightly adjusted. Some of the costs for technology and product management, for example, were transferred from sales and marketing to product development. Although the implemented adjustments are marginal, they are considered a more accurate reflection of the operation's actual resource utilisation.

Financial net for the full-year amounted to SEK 1.7 million (4.2). Net profit amounted to SEK 63.2 million (53.6) for the full-year. Earnings per share rose to SEK 3.83 (3.18) for the full-year. Without adjustment for holdings of own shares, earnings per share were SEK 3.70 for the full-year.

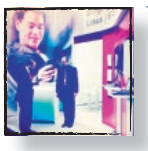
Cash flow and financial position

In 2013, cash flow from operating activities amounted to SEK 76.6 million (80.1). Total cash flow amounted to SEK 17.3 million (22.5). During the year, the value of repurchased shares was SEK 13.6 million. On 25 July, 2013, SEK 3.00 per share (8.00) was paid to shareholders through an automatic redemption process, corresponding to a transfer of SEK 49.5 million (135.2).

At year-end, cash and cash equivalents and short term investments amounted to SEK 163.6 million (146.7). In addition, the Group has an unused credit of SEK 15 million. Enea's financial position remains strong with an equity ratio of 84.5 percent (79.9).

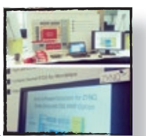
SIGNIFICANT EVENTS IN 2013

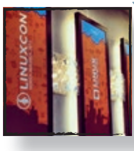
FEBRUARY



The year's largest contract was signed, valued at SEK 111 million over a two-year period. This is a renewed agreement for the Enea OSE operating system.

Enea became a member of the Linaro Networking Group, in which industry leaders jointly define the future of Linux for ARM-based processors.



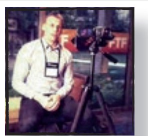


Enea and Xilinx were created using Enea Linux, one of the most optimised platform solutions for designing next-generation heterogeneous wireless networks.

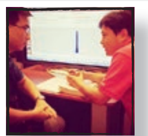
APRIL

Enea's Annual General Meeting was held, and resolutions included a new redemption programme valued at SEK 3 per share and the cancellation of 604,613 shares.

A new version of the Polyhedra database was launched with enhanced security and reliability for real-time applications.



The latest version of the Element middleware product offers expanded opportunities for modelling entire systems and increased support for cloud solutions.



Investments and depreciation

In 2013, the Group's investments amounted to SEK 14.3 million (16.2). Depreciation of investments amounted to SEK 18.2 million (18.5). During the year, the value of capitalised product development costs was SEK 12.6 million (10.5). Depreciation of capitalised product development costs amounted to SEK 12.6 million (12.2) during the year.

Parent Company

The business of the Parent Company, Enea AB (publ), are mainly focused on Group-wide management. The company provides and sells services to other Group companies in management, accounting and finance, administration and IT.

In 2013, net sales for the Parent Company amounted to SEK 48.8 million (53.8) and profit before tax to SEK 2.5 million (6.9). Financial net in the Parent Company was SEK 2.7 million (8.5) and at year-end, cash and cash equivalents amounted to SEK 131.4 million (94.0). The Parent Company's investments amounted to SEK 0.8 million (1.7). At year-end, the number of employees in the Parent Company totalled 13 (13). The Parent Company has no business activities and its risks are mainly attributable to the activities of its subsidiaries.

Transfer to shareholders

The Board proposes to the Annual General Meeting that a 2:1 share split be combined with a mandatory redemption procedure. The procedure entails that each share is split into one ordinary share and one redemption share. Shares repurchased by the company will not be transferred. The Board proposes that redemption shares be redeemed for SEK 3.00 per share, corresponding to a transfer of not more than SEK 51,163,434 (SEK 49,052,184 excluding treasury shares at 13 March, 2014) to the company's shareholders. Following implementation of the proposed appropriation of profit and redemption programme, unrestricted equity in the Parent Company Enea AB will amount to SEK 210,235,000 and total equity to SEK 228,591,000.

The Board of Directors' statement on the proposed redemption programme in accordance with the Swedish Companies Act, Chapter 18, Section 4: The proposed dividend to the shareholders will reduce the Parent Company's equity ratio from 84.9 to 82.2 percent and the Group's equity ratio from 84.5 to 82.6 percent. The equity ratios and liquidity are satisfactory in view of the fact that the company's and the Group's operations continue to be profitable.

It is the view of the Board' that the proposed transfer of value does not hinder the company or the other Group companies from fulfilling their obligations in the short and long-term, nor from fulfilling their required investments. The proposed transfer of value can therefore be justified in accordance with the provisions of the Swedish Companies Act Chapter 17, Section 3, Paragraphs 2 and 3. The Board proposes that the Annual General Meeting authorise the Board to set the record date for the share split and the redemption, and the period for trading in redemption shares.

For more information about the company's earnings and financial position, see the following income statement and balance sheet, and cash-flow statements with the accompanying notes.

The financial reports were approved for publication by the Board of the Parent Company on 13 March, 2014.

Proposed appropriation of profit

The following funds are at the disposal of the Parent Company, SEK:	2013
Share premium reserve	2,711,278
Profit brought forward	254,652,686
Profit for the year	1,923,604
Total	259,287,568

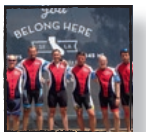
The Board of Directors proposes that profit be appropriated so that SEK 259,287,568 is carried forward.

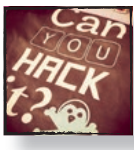
MAY

Version 3.0 of Enea Linux is released, a real-time friendly Linux distribution with best-in-class support for customised hardware.

JUNE

Enea sent six cyclists in "Team GEEK" to AIDS LifeCycle, a 877 km-long bike ride to raise money in the fight against HIV/AIDS.

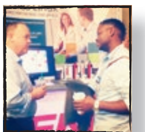




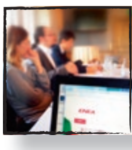
Enea launched the 64-bit version of Enea OSE, a real-time operating system with increased buffering capabilities for modern telecom infrastructure.

JULY

Electrolux Small Appliances selected Enea Linux v3.0 as a world-class embedded solution for the future's electronics products.



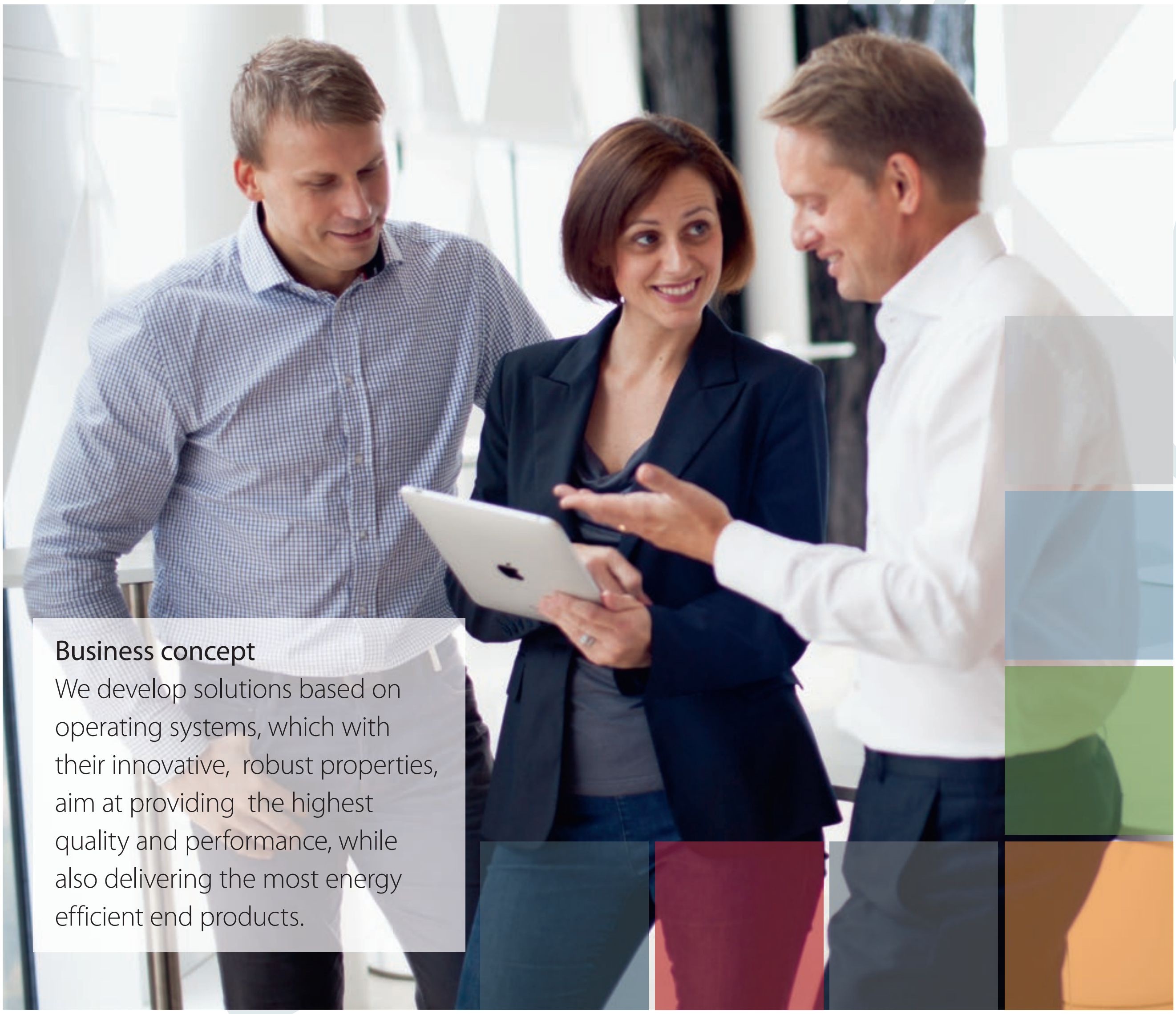
SEPTEMBER



A leading US medical technology company signed a service agreement with Enea valued at SEK 6.9 million.

DECEMBER

Improved versions of Enea OSE and Enea Linux to further enhance Enea's real-time focus.



Business concept

We develop solutions based on operating systems, which with their innovative, robust properties, aim at providing the highest quality and performance, while also delivering the most energy efficient end products.

Vision

We will be the obvious choice for innovative and reliable solutions for companies that develop communication-intensive products.

Strategy

Technology and Products

Enea is a world leader in real-time expertise and our real-time operating system is the third-largest in the world. Today, real-time operating systems work side-by-side with Linux and we therefore aim to continue improving our offering to include all types of operating system solutions for embedded systems. In the telecom segment, which is where most of our customers are, real-time responses are often mission-critical. By improving the features that telecom customers request in Linux, such as real-time, virtualisation and IP transport, we aim to strengthen our position with this customer group.

The main focus for our real-time operating systems is to continue improving performance. Performance is the very reason why real-time operating systems have maintained their strong position in hardware-related solutions. This feature should therefore be improved so that real-time operating systems can continue to play a key role in our product offering.

Enea's middleware solution has acquired a renewed focus due to new cloud-based solutions and Enea's Linux offering, in which the Element middleware product is an ideal complement to Enea Linux. The strategy is to expand our middleware solution to new platforms, markets and use-cases in order to strengthen the market position for this product family.

Market

Most of our customers choose the hardware before the operating system. In addition, the operating system requires adaptation to take full advantage of each processor. Enea will therefore continue to develop and expand relationships with hardware vendors in order to offer well-integrated products and solutions.

In 2014, we will continue our collaboration with ARM, which stands behind the processor architecture with the same name. ARM is used by major hardware suppliers such as Freescale, Cavium, Qualcomm and TI. In the company's own words, ARM is market dominant in the field of processors for mobile phones, and is therefore a standard processor architecture for our customers.

While most of Enea's software customers are active in the telecom segment, a large number are also active in other segments, and communication-intensive solutions and embedded systems have become an integral part of many products and solutions across a multitude of segments. Enea's strength is communication-intensive solutions, which are no longer confined to the telecom segment.

Expertise and services

Our customers are faced by complex challenges, and simply selling a combination of products does not address their needs. Solutions must be adapted to the customer's other systems and hardware. Due to experience in leading 3G/4G solutions, Enea possesses extensive knowledge in how tomorrow's telecom solutions can be

Colleagues working together at Enea.

Demo booth at the Freescale Technology Forum in San Antonio, Texas.

constructed. We apply this knowledge of real-time embedded systems in other related industries, such as medical technology and aviation/defence, where we are currently participating in several large-scale service projects with leading players.

Most of our consulting revenue is derived from large-scale global projects. Having the right expertise to effectively pursue these types of projects is crucial. Our solutions must also be cost-efficient, which is why we staff projects with consultants from various countries to achieve high levels of expertise at the best price.

Customers

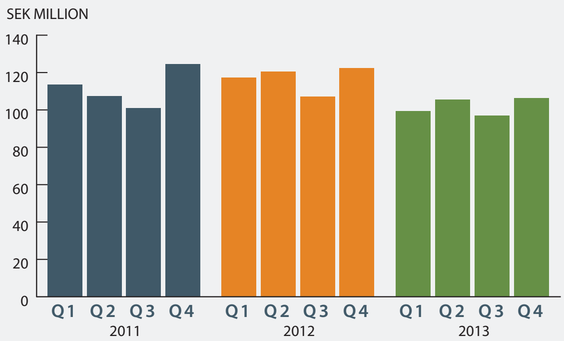
Enea already holds a strong position with a number of key customers. In our joint projects with customers, a pre-requisite for our success is knowing the customer well and being involved in discussions about the future from an early stage. These types of projects require customised solutions that, in turn, require an organisation that can effectively handle customised product development and follow-on support.

Enea is working to deepen and expand partnerships with all key customers. At the same time, we continuously strive to create new customer relationships. New customer dialogues evolve from the multitude of marketing activities we conduct all over the world, from collaboration with partners and through referrals from existing customers. New customers usually begin as users of our products at an early stage of a product development cycle, long before we know whether the customer's end product will be successful, or as customers within our services offering.

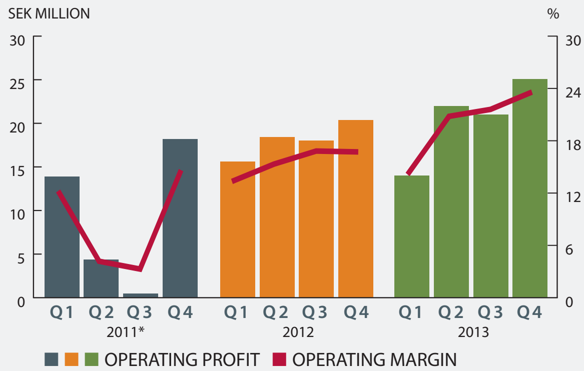
Employees

Enea will continuously improve its position as an attractive employer and create stimulating and rewarding workplace environments. Innovative and knowledgeable employees drive the company and its solutions forward. We aim to continue attracting and developing individuals with exceptional attitudes and knowledge.

SALES, SEK MILLION



OPERATING PROFIT, SEK MILLION AND OPERATING MARGIN, %

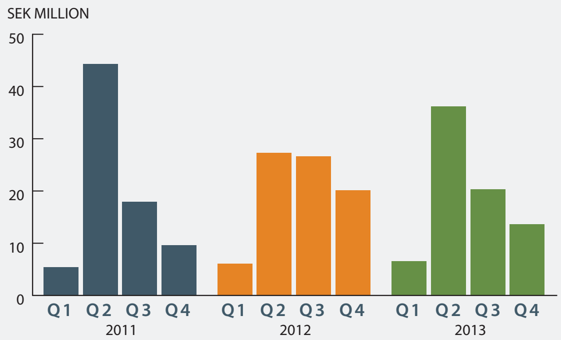


*) Excluding impairment losses of SEK 37.5 million

KEY DATA	2013	2012	2011
Net sales, SEK million	408.5	467.8	446.7
Growth, %	-12.7	4.7	0.0
Growth, currency adjusted, %	-11.0	3.6	1.5
Operating profit, SEK million	82.1	72.5	2.2
Operating margin, %	20.1	15.5	0.5
Profit before tax, SEK million	83.8	76.7	6.0
Profit after tax, SEK million	63.2	53.6	-1.0
Profit, divested business, SEK million	-	61,7	-5.4
Earnings per share, SEK [1]	3.83	3.18	-0.06
Cash flow from operating activities, SEK million [2]	76.6	80.1	69.6

[1] *Calculation of earnings per share, based on net profit for continuing operations.*
[2] *Cash flow from operating activities for the full-year 2011 pertain solely to continuing operations.*

CASH FLOW FROM OPERATING ACTIVITIES, SEK MILLION



How Enea's profit is generated

As a software company, Enea has a business model that combines product and consulting revenue. The gross margin on software is high, but balanced by a high share of fixed costs. To generate healthy profitability, this model is dependent on a company with a certain size. The leverage effect works both ways: any changes in revenue will have a major impact on profit. In 2013, Enea's revenue declined compared with the preceding year. Despite this, Enea achieved its long-term target of a 20 percent operating margin due to effective cost control and a focused strategy.

Development licenses, including support and maintenance

While customers are developing their products, they purchase a development license from Enea. Development licenses are typically priced per development engineer. Customers can choose a time-limited, or a non-time-limited, license. Revenue from time-limited licenses is recognised during the license period, while revenue from non-time-limited licenses is recognised at the delivery date. Support and maintenance are included in the time-limited development license concept.

Production licenses (royalties)

In order to ship their finished product with Enea's technology, the customer purchases a production licence. A production license may be time-limited or non-time-limited and usually consists of royalties, meaning revenue per sold unit. Some major customers report their production volumes on a quarterly basis in arrears, which means that Enea charges for royalties one quarter in arrears.

Services

For consultancy services, customers are charged an hourly rate or a fixed price. Services revenue is recognised during the period in which the services are delivered.

Expenses

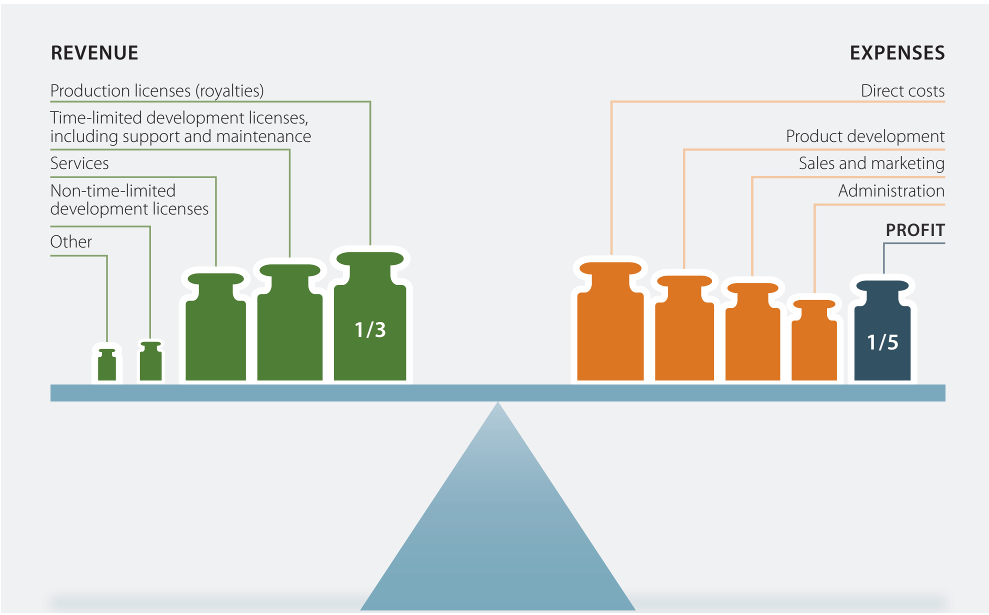
Enea's expenses largely comprise costs for personnel and infrastructure (offices, IT support and so forth). This means that the company must be of a certain size to maintain healthy profitability. It also means that costs are relatively steady and do not vary significantly with changes in revenue. Expenses can be divided into direct costs (personnel costs for consultancy services provided and costs for third-party products), sales and marketing costs, product development costs and administration costs.

Financial targets

Target fulfilment in 2013

During the year, Enea announced an objective of working toward the long-term profitability target of 20 percent. For the full year 2013, our assessment was that both the operating margin and earnings per share should be improved.

In 2013, our long-term target of a 20 percent operating margin was achieved not only for individual quarters but also for the full year. Compared with 2012, this represents an improvement from the 15.5 percent



operating margin in 2012 to 20.1 percent in 2013. Earnings per share improved from SEK 3.18 in 2012 to SEK 3.83 in 2013. Enea thus met its targets for 2013.

Outlook for 2014

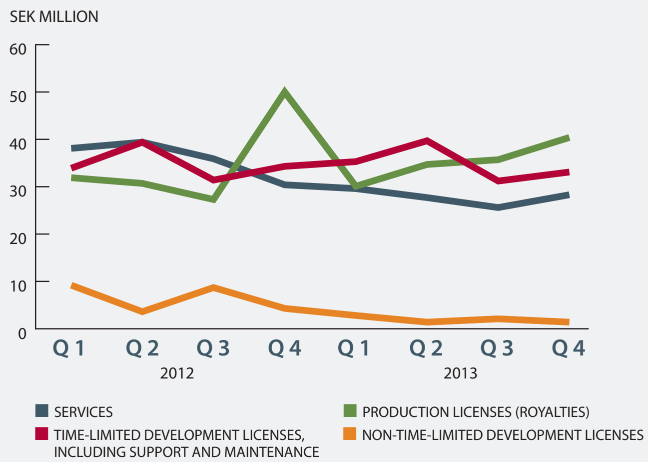
We anticipate continued slow demand and expect the first quarter to be slightly weak. The assessment for the full year 2014 is that earnings per share will improve compared with the previous year.

Long-term ambition

The ambition during a period of five years, commencing in 2012, is to create a global software company with considerably higher net sales, high profitability, good cash flows, and a large proportion of recurring revenue.

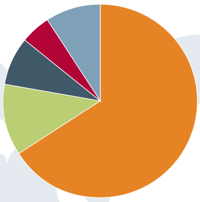
The company will be focusing on organic growth, but both strategic and supplementary acquisitions will be evaluated regularly. This growth will vary over the years and between the quarters, depending on how individual deals take place and the development of royalty flows; these are dependent on customers' sales volumes. The operating margin will vary in line with growth over the various quarters of the period. Enea's objective during this period is to achieve an operating margin of 20 percent.

SALES PER REVENUE CATEGORY, SEK MILLION



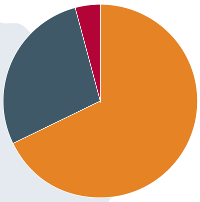
Global operation with world-class products

SALES PER SEGMENT, %



- TELECOM INFRASTRUCTURE, 66%
- DEFENCE, 12%
- MEDICINE, 8%
- MOBILE DEVICES, 5%
- OTHER, 9%

SALES PER REGION, %



- EUROPE, 68%
- NORTH AMERICA, 28%
- ASIA, 4%

Geographic development

Enea has a total of ten offices across Europe, North America and Asia.

Europe

The European operation includes such customers as Ericsson, Nokia Solutions and Networks (NSN) and Alcatel-Lucent. Sales are conducted through offices in Sweden, Germany, France and Romania.

In 2013, sales from Europe rose slightly compared with the preceding year. Profitability also improved. Sales to key customers were higher year-on-year, as were sales of software to other customers in Europe. Sales in Romania, which mainly sells services, were lower compared with 2012.

North America

The North American operation includes major customers such as Motorola, Fujitsu, Boeing, Honeywell and Hospira. Two offices manage software sales and delivery, and consultancy services.

During the year, total sales declined in North America. Sales of both services and software were lower compared with 2012. Profitability declined in both operating areas.

Asia

The Asian operation comprises major customers such as Fujitsu and Yamaha. Enea has established offices in China and Japan. In Asia, total sales declined compared with 2012. A gradual decline in major consultancy

SIGNIFICANT EVENTS IN 2013

First quarter

- A European telecom customer accounted for the largest transaction during the quarter. The agreement, valued at SEK 111 million, is a renewed agreement for the Enea OSE operating system. The agreement includes development licenses, production licenses and support over a two-year period.
- In North America, an agreement was signed with a software company that intends to use the Enea Element middleware product in a security solution for remote access. The agreement is valued at SEK 840,000 for one year, with an option to renew for three additional years.

Second quarter

- A three-year agreement for the Enea OSE operating system, valued at SEK 3.2 million, was signed with a European manufacturer of telecom equipment.
- Enea signed its first Linux agreement in Europe. A global leader in consumer electronics and appliances selected Enea Linux v3.0 as the software platform for a new high-tech consumer electronics product.
- A framework agreement with a leading US manufacturer of secure electronic payment solutions was signed during the quarter. In the first phase, valued at SEK 5.1 million, Enea will provide consultants to staff a number of development projects in the customer's operation.

Third quarter

- In Europe, an agreement was signed with a medical company in Germany. The customer invested SEK 1.4 million in production licenses for Enea OSE.
- During the quarter, a leading US company in the aviation/defence sector re-appointed Enea as its preferred provider following a major review of all service providers. With the new framework agreement, Enea has secured consultancy contracts for an estimated SEK 125 million over a period of three years.
- A leading US company in medical technology signed a consultancy agreement with Enea valued at SEK 6.9 million. The agreement is an extension of a previous agreement.
- In China, an electronics company signed a two-year license agreement for middleware products valued at SEK 900,000.

Fourth quarter

- Enea will take over support and maintenance for a development tool from one of its hardware partners. The agreement, valued at SEK 3.7 million, stretches over a 27-month period and the work will be performed by Enea's consultants in Romania.

services from Nordic customers in Asia led to lower sales and weaker margins. A consultant cutback in Beijing that began in the fourth quarter of 2012 was concluded in the first quarter of 2013. The comparative figures for 2012 therefore include sales from the discontinued operation. The comparable operation reported increased sales in local currency and improved profitability as a whole for the region.

Customers

Most of our customers are found in the telecom industry. Customers in the telecom industry account for 66 percent of our sales, while the mobile industry accounts for 5 percent. Customers in the defence industry account for 12 percent of sales. Two individual customers, Ericsson and NSN, account for more than half of our sales.

Competitors

While a multitude of smaller companies can compete in niche areas, only a few can compete across a broader front. The common denominator for these companies is that their core offering is operating systems. Enea's largest competitor is Windriver, which has been part of Intel since 2009, followed by Green Hills and Mentor Graphics. A company that can compete within Linux, but not with real-time operating systems, is the US company MontaVista, which has been owned by Cavium Networks since 2009.

DID YOU KNOW

that millions of mobile calls rely on Enea's operating systems every day?

Enea at a Linux event.

Enea's T-shirts were popular at the Embedded World Exhibition in Germany.

Demonstrating Enea's products in one of our exhibition booths.

PRODUCT AND SERVICES OFFERING

OSE and Linux operating systems form the core of Enea's product offering. Enea also provides a range of complementary products that are usually combined into a custom solution and supplemented with consulting services.

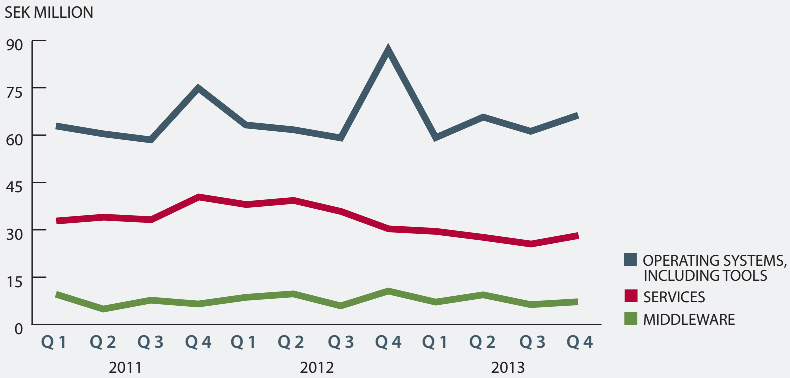
- Enea OSE – a real-time operating system for embedded systems. The operating system is the software that is closest to the hardware and acts as the link between the hardware and the software.
- Enea OSEck – a real-time operating system that is optimised specifically for digital signal processors, meaning the part of the hardware that handles communication.
- Enea Linux – an open-source operating system. Enea Linux is a distribution designed specifically for telecom purposes, based on Yocto packages. Enea offers expertise and technology that is specifically focused on next-generation communications solutions.
- Enea Netbricks – communications protocol for telecom.
- Enea Hypervisor – software that enables several operating systems to be run in parallel, such as OSE and Linux.
- Enea Optima – development environment for developing software that runs on Enea's operating systems.
- Enea Polyhedra – a database developed specifically for embedded systems.
- Enea Element – middleware, meaning the software that sits between the operating system and its applications. Middleware is run in the background and ensures that the system is reliable, predictable and scalable.
- Enea LINX – software to handle the communication between various kernels on the hardware chip. These kernels can also run different operating systems.
- Services – Enea has capacity for complex projects of various size and geographic distribution, including design and development, project management, off-shoring and quality assurance.

ABOUT ENEA

Product revenue in 2013

The operating systems product group, including tools, accounted for 62 percent of revenue and represented the highest share of Enea's sales. In 2013, sales increased compared with the preceding year. Middleware accounted for 7 percent of Enea's total sales and rose slightly year-on-year. Total services sales declined during the year and accounted for 27 percent of sales. Other sales accounted for 4 percent.

SALES PER PRODUCT GROUP



400 employees in eight countries

Our approximately 400 employees are based in eight countries. More than half of the Group's personnel is based in Romania. Sweden and the US are the next two countries in terms of size. Our smallest offices, based on number of employees, are in China, Japan, France, Germany and the UK.

The absolute majority of our personnel have academic degrees and most of them are engineers. Women account for 22 percent of the Group's employees.

Health and wellness

Enea has a low sickness absence rate. In 2013, the total sickness absence rate in Sweden was about 1.5 percent of ordinary working hours. We work continuously to retain this low rate by offering wellness and fitness benefits to stimulate physical activity, and by arranging joint health promotion activities, such as our annual volleyball event.

Diversity

We support the trend towards greater diversity. Employees who dared to think in new and exciting ways have led the company to where it is today. Different backgrounds and experience are positive, and something we want to encourage. According to Enea's equal opportunity policy, all employees are to be treated equally in regard to employment or work assignments regardless of gender, faith, age, disability, sexual orientation, nationality, political opinions or social or ethnic origin.

DID YOU KNOW

that Enea received the first e-mail sent via the Internet to Sweden on April 7, 1983? The message was: This is just a test.

Involvement

Each unit in Enea is responsible for continuously communicating information to employees about the unit's activities as well as other activities within the Group. Global information meetings are held via web conferencing, and local meetings are held at each office. Enea's management holds an information meeting once a month, where one of the most important items on the agenda is questions and feedback to management. Enea's intranet is a well-developed tool and used on a daily basis by most employees. In addition to information and news, the intranet contains interviews and articles that aim to raise awareness and promote an inclusive workplace culture.

Ethics and responsibility

Enea's Code of Conduct summarises the Group's ethical guidelines. The Code of Conduct includes guidelines for compliance with laws and regulations, rights of the individual and rules for anti-corruption and ethical business practice. The aim of the Code of Conduct is to emphasise the fundamental principles by which Enea operates and manages relationships with its employees, business partners and other stakeholders. Enea supports the UN Global Compact initiative.

Social responsibility

Enea contributes both directly and indirectly to the communities in which the company operates. Millions of people use Enea's products for their communication. Increased communication can reduce the need for unnecessary travel, and provide greater security. Enea also seeks to improve conditions by contributing to various community projects, particularly in Romania where the company has its largest office. In Bucharest, Enea has helped children with hearing impairments and cancer through various initiatives at clinics and hospitals in the city. These range from donating Christmas presents, to investing in medical devices and building renovations. In 2013, Enea donated money to BRAC, an NGO that has helped to empower 135 million people. BRAC's programme includes microcredit, education, healthcare, legal services and self-empowerment at local level.

Enea's responsibility to its stakeholders is to generate profitable growth. The long-term objective is to increase the value of the company and thus ensure sustainable development and long-term returns to our shareholders. Enea contributes to socio-economic development through both its products and by offering employment opportunities. Enea's responsibility to its employees is based on the company's core values. Each employee should feel valued and be involved in the company's success. Enea respects individual dignity and human rights, develops the skills of individuals, pays a fair salary, provides opportunities for advancement, promotes open and honest communication and provides a safe and healthy workplace environment.

Environment

Our business concept is based on making it easy for our customers to develop communication-driven products. Many of Enea's customers develop products that reduce the environmental impact. There are many telecom solutions that can increase communication and reduce the need for physical meetings. Enea also helps customers build products that consume less energy and use resources more efficiently. Creating innovative solutions that promote sustainable development is a key component of Enea's future product plans.

Although Enea does not conduct activities that are subject to permit or notification requirements under the Swedish Environmental Code, environmental practice is an integral part of our daily operations.

According to our environmental policy, we will:

- comply with all applicable environmental legislation and other environmental requirements that apply in markets in which the Group operates,
- avoid wasting resources,
- take care of the waste that we generate and re-use and recycle materials,
- account for environmental issues in the design and placement of our offices,
- strive to continuously evaluate the way we work and find alternative practices in order to reduce our environmental impact.

VALUES

We view values as a basic platform for our everyday actions. Our values unite us, creating a sense of commitment and togetherness. At Enea, we want our values to be visible in everything we do.

WE FOCUS ON CUSTOMER SUCCESS

To be successful for us, our decisions must lead to the success of our customers. We focus our resources on a select number of customers to deliver world class solutions.

WE PROVIDE TRUSTED LEADERSHIP

We strive to be global leaders in everything we do. Leadership is about taking full responsibility and delivering on your promises.

WE INNOVATE FOR BUSINESS REASONS

Creativity is adding value when it solves real customer challenges and creates new business opportunities.

WE ARE TEAM PLAYERS

A team player puts company objectives first. A strong team player delivers his/her share and always strive to contribute to the overall result.

WE BRING PASSION AND FUN

No great achievements have been accomplished without passion. The best way to achieve passion is to have fun.

Efficient distribution

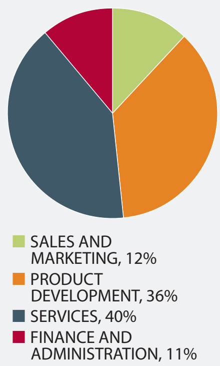
To optimise deliveries to the maximum extent possible, our software is mainly delivered digitally, as downloadable files, which minimises the environmental impact of our delivery and distribution. We also send invoices electronically.

Minimised travel

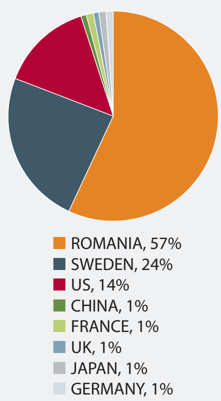
Enea is a global company with operations in many countries all over the world. To minimise the need for travel, we have invested in an internal system for chat and web conferencing. This means that we can keep our teams together and hold regular meetings, regardless of geographic distances, without impacting the environment.

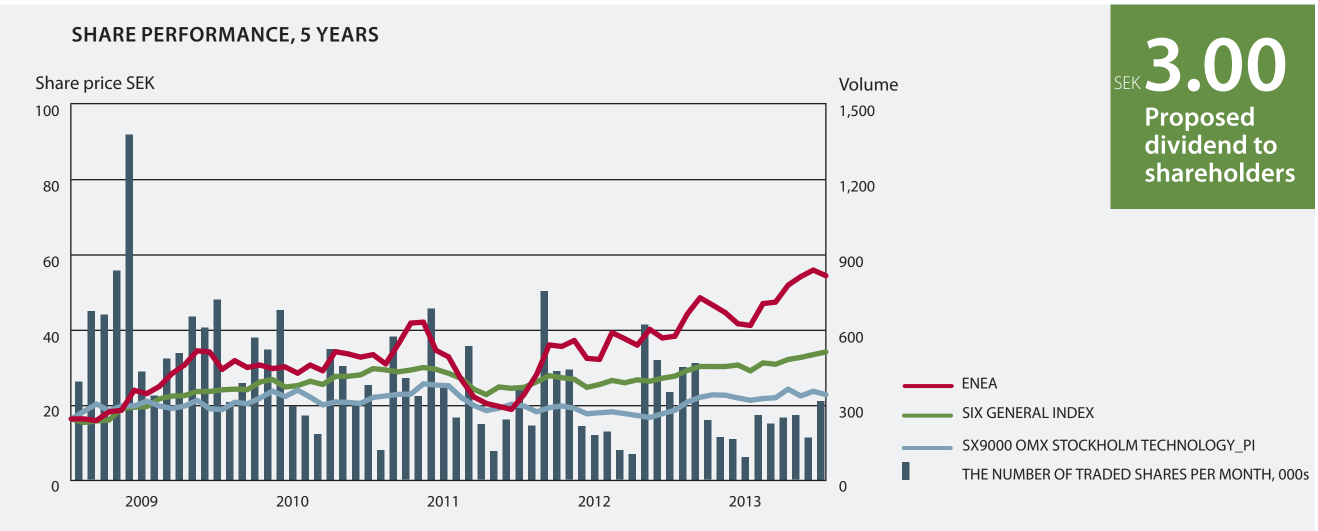
Sustainable development means looking at our operation from a global perspective and rethinking ingrained beliefs and practices. It means taking care of employees and unleashing their appetite for innovation, both to create products and services that promote sustainable development and to identify better everyday solutions.

EMPLOYEES PER FUNCTION, %



EMPLOYEES PER COUNTRY, %





SEK **3.00**
Proposed dividend to shareholders

Share and shareholders

Enea issued its IPO in 1989 and has since July 1 2007 been listed on NASDAQ OMX Nordic Exchange in Stockholm for Swedish shares – Small Cap (Enea).

Share price

During the year, the share price fluctuated between a low of SEK 38.10 on July 2 and the yearly high of SEK 57.50 on both November 21 and 27. The closing price at year-end was SEK 54.50. Enea's share price rose 35 percent during the year compared with the broad SIX General Index, which rose 23 percent, and the IT index, which rose 22.2 percent.

Trade volume

A total of 3 million shares were traded, amounting to a total value of SEK 929,469,051. During the year, the average daily turnover was 11,842 shares.

Ownership structure

At December 31, the number of shareholders in the company was 8,593. The ten largest shareholders accounted for 63.9 percent (68.1) of the capital and voting rights. The largest shareholders primarily consist of SIX SIS AGA and Försäkringsbolaget Avanza Pension. Foreign ownership accounted for 42.3 percent (57.7).

Number of shares

At December 31, 2013, the number of shares amounted to 17,054,478. Each share has a quotient value of SEK 1.08. Holders of shares are entitled to dividends at amounts determined by the Annual General Meeting. Each share carries a right to one vote per share at the Annual General Meeting. There are no restrictions on the transfer of shares or the voting rights of each shareholder at General Shareholder Meetings due to provisions in the Articles of Association.

Long-term dividend policy

Enea's long-term dividend policy stipulates that at least 30 percent of profit before non-recurring items and after standard tax is to be distributed to shareholders.

Capital structure

To enable Enea's continued development, also through acquisitions, the company may incur net debt over time. For a company such as Enea, in which the development and sales of software form an essential part of the business, maintaining a strong financial position is imperative. The Board of Directors should therefore consider the company's long-term financing requirements at all times.

Proposed dividend

According to the company's dividend policy, at least 30 percent of profit after tax is to be transferred to shareholders. In view of Enea's strong financial position, the Board of Directors proposes to the Annual General Meeting that a dividend corresponding to SEK 3.00 (3.00) per share be paid to shareholders. This corresponds to a transfer of SEK 49.1 million (49.5). The Board proposes that the dividend be distributed through an automatic redemption program.

Authorization

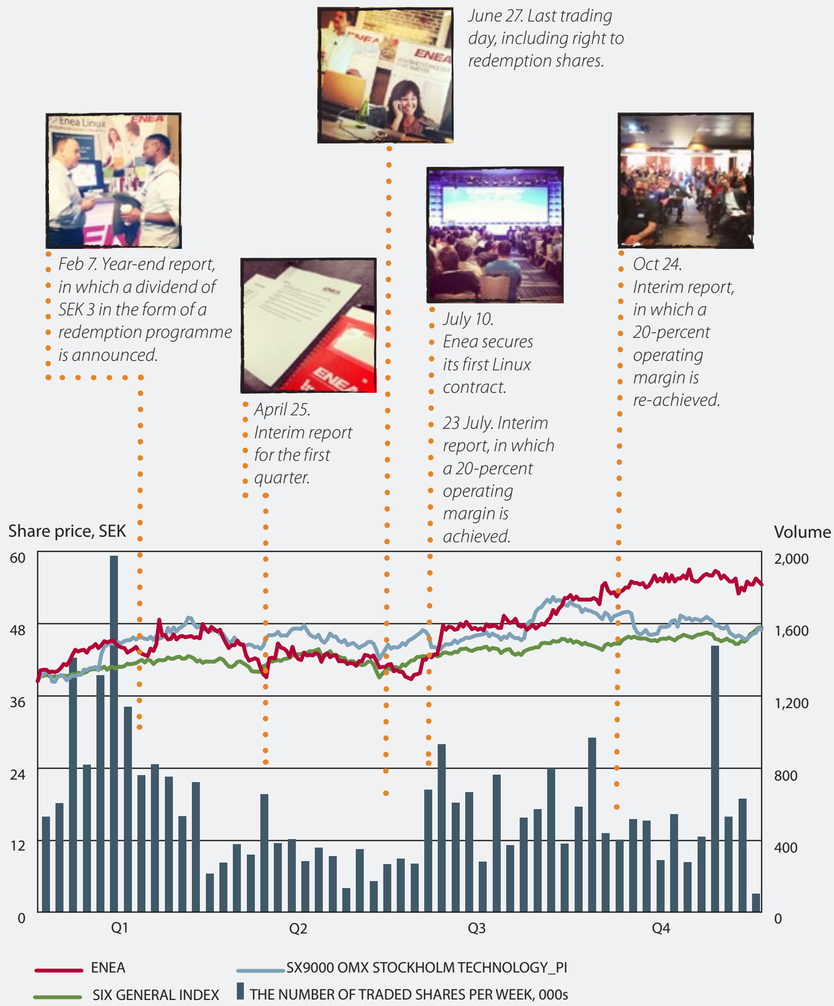
The 2013 Annual General Meeting authorised the Board to make decisions regarding acquisitions and transfers of own shares. The acquisition of shares in the company may only be carried out on NASDAQ OMX Stockholm or in accordance with an acquisition offer to all of the company's shareholders. Share acquisitions may not result in the total holding of own shares, at any time, exceeding 10 percent of all shares in the company. Not more than 10 percent of the total number of shares in the company may be transferred. The purpose of acquisitions and transfers of own shares is to continuously adapt Enea's capital structure to its capital requirements, enable financing, fully or partially, in connection with acquisitions and to ensure the availability of shares for the proposed share-savings programme. At December 31, 2013, Enea AB's own shares amounted to 668,431, corresponding to 3.9 percent of all shares. During 2013, Enea AB repurchased 283,018 own shares at a value of SEK 13.6 million.

The 2013 Annual General Meeting authorised the Board for the period until the 2014 Annual General Meeting, on one or more occasions, to make decisions regarding the new issue of shares, with deviation from the shareholders' pre-emptive rights and provisions in Chapter 13, Section 5, Paragraph 1, Point 6 of the Swedish Companies Act, and that the Board may otherwise resolve on the terms for the issue. However, the issue price is to be determined based on market terms and not correspond to more than 10 percent of the number of shares outstanding. This authorization was not utilized in 2013.

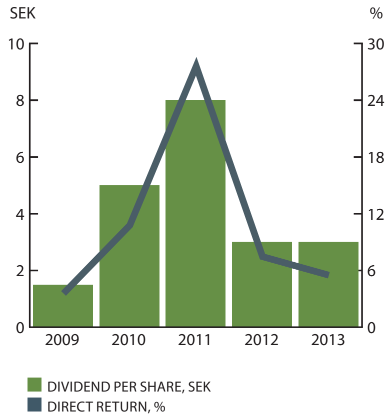
Investor Relations

Investor Relations (IR) communication is characterised by open, relevant and accurate information to shareholders, investors and analysts with the objective of raising knowledge of the Group's operation and share. Enea provides information in the form of interim reports, annual reports, relevant press releases and detailed information about the company in the IR section of the website. Shareholders and other stakeholders can subscribe to press releases and financial reports by e-mail.

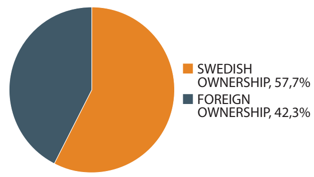
THE SHARE 2013



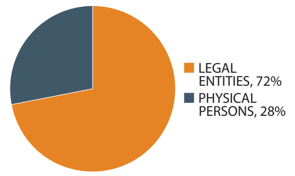
DIVIDEND PER SHARE, DIRECT RETURNS



SWEDISH AND FOREIGN OWNERSHIP, BASED ON HOLDING, NUMBER OF SHARES



LEGAL ENTITIES AND PHYSICAL PERSONS, BASED ON HOLDING, NUMBER OF SHARES



OWNERSHIP BY GEOGRAPHIC REGION

Area	Share-holders, %	% of votes and capital
Resident in Sweden	96.69	57.70
Other Nordic countries	0.93	8.73
Other European countries (excluding Sweden and Nordic countries)	1.62	32.59
US	0.43	0.89
Rest of the world	0.33	0.08
Total	**100.0**	**100.0**

TEN LARGEST SHAREHOLDERS, GROUPED BY OWNER

31 DECEMBER 2013

Owner	Number of shares	% of votes and capital
SIX SIS AG	4,198,126	24.6
Försäkringsbolaget Avanza Pension	2,326,211	13.6
DNB Nor	1,253,145	7.4
Per Lindberg	921,185	5.4
Handelsbanken Fonder AB	595,313	3.5
Limhamn Förvaltning AB	555,763	3.3
Försäkrings AB Skandia	247,004	1.4
Caceis Bank Luxembourg	216,676	1.3
Skandia Norden	198,343	1.2
Holmen Spesialfond	170,000	1.0
Total ten largest owners	**10,681,766**	**63.9**
Enea AB (PUBL)	668,431	3.9
Other shareholders	5,704,281	32.2
	17,054,478	**100.0**

DISTRIBUTION BY SIZE

31 DECEMBER 2013

Holding	Number of share-holders	Number of shares	% of votes and capital
1 – 500	7,180	904,063	5.30
501 – 1000	668	544,087	3.19
1001 – 5000	588	1,323,775	7.76
5001 – 10000	66	496,824	2.91
10001 – 15000	28	347,046	2.03
15001 – 20000	13	225,524	1.32
20001 –	50	13,213,159	77.48
Total	**8,593**	**17,054,478**	**100.0**

SHARE-RELATED KEY FIGURES[1)]

SEK	2013	2012	2011	2010	2009
Net asset value per share	22.65	22.14	24.31	29.55	29.53
Earnings per share	3.83	6.85	-0.37	2.65	0.24
Earnings per share after full dilution	3.83	6.85	-0.37	2.65	0.24
Cash flow from operating activities per share	4.65	4.83	4.51	4.39	4.02
Dividend per share [2)]	3.00[2)]	3.00	8.00	5.00	1.50

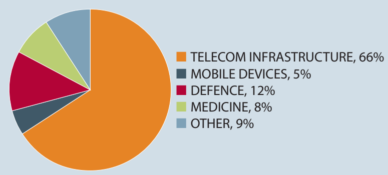
[1)] *Including divested business 2009-2011*

[2)] *The Board's proposal to the Annual General Meetin*

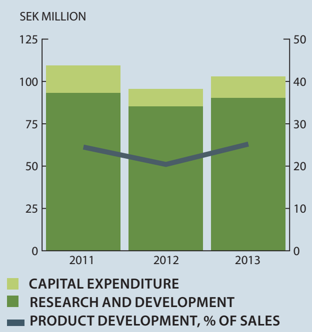
Enea is exposed to a number of risks that could affect the Group's profit. Enea identifies and manages the company's risks on an continuous basis. The risks deemed most significant for the company have been classified below as business-related, market-related and financial risks.

Business-related risks	Comments
Customer structure Enea is dependent on a few major customers such as Ericsson and NSN, all of which are significant suppliers of telecom equipment.	Enea is dependent on its major customers' long-term plans for investment and product development, since the development of new-generation products may include significant decisions that affect the use of Enea's products and services. The risk of rapid negative changes is limited due to long-term agreements and difficulties for customers to change the degree to which they use Enea's products and services at short notice. Of those customers that individually accounted for a share of at least 10 percent of the company's total revenue in 2013, one customer accounted for a share corresponding to 43 percent (42) and another customer for a share corresponding to 15 percent (12).
Contract structure A large part of the revenue from software is repetitive in nature in the form of long-term royalty and maintenance agreements. Revenue from consultancy services is not normally repetitive.	Enea cannot impact the development of its future royalty revenue. The amount of royalty revenue earned by Enea will largely depend on how the production volumes of these customers develop. However, expenses will be proportionate to the simultaneous revenue stream. Software revenue accounts for 94 percent (82) of recurring revenue.
Competence supply Enea's success is very closely linked to the ability to employ, develop, motivate and retain qualified personnel.	Competition for qualified personnel in the IT industry is intense. However, Enea's combination of products and services is a competitive advantage since the company can offer more career opportunities. The launch of a Linux product has also increased the company's technical breadth, a factor that may be significant for recruiting and retaining engineers. Enea's employee turnover is considered in line with industry average.
Product responsibility, intellectual property rights and legal disputes Enea's products are a key component in the customer's product and errors could lead to deteriorating customer relationships and claims for damages. Enea's trademark and the company's patents are at risk of infringement.	Enea is insured against product liability and makes the assessment that the company is adequately protected from direct risk. Enea is also insured against patent and trademark infringement and engages continuous legal expertise to reduce the risks. Neither Enea AB nor its subsidiaries are currently involved in any litigation, court proceedings or arbitration, apart from a few minor disputes that are not expected to have any material adverse effect on the company's financial position. The Board of Directors is not aware of any other circumstances that could lead to a dispute that, in turn, could harm Enea's financial position in any significant way.

Market-related risks	Comments
Macroeconomic development Enea is dependent on the growth and financial development of its largest customers. Most revenue is derived from customers in the telecom industry, which means that economic risks are linked to the economy in general, but also to the specific development of the telecom industry.	A generally slower economy mainly impacts customers' current investment appetite followed by declining purchases of Enea's products and services. An economic downturn may also impact sales of customers' products which, in turn, affects Enea's royalty revenue. Structural changes that impact the application of embedded systems in various contexts are more significant than economic changes. The telecom segment accounts for 66 percent of Enea's sales.
Products and technology Enea's competitiveness and market position are largely dependent on the company's ability to produce innovative products, often in close collaboration with both customers and hardware suppliers.	Close collaboration with the company's largest customers on product development is highly significant. The growing frequency of software based on open-source code entails a risk that customers choose solutions that generate less revenue for Enea instead of the company's copyrighted products. Enea collaborates with a number of hardware suppliers in order to adapt its product plans to future hardware solutions, and to pre-integrate its products in hardware vendors' solutions.
Competitors The embedded software market is fragmented with a handful of players of Enea's size or larger. Like Enea, all competitors are globally active, while niche companies may be competitors in limited areas.	Enea holds a strong position in the telecom industry and has positioned itself as a market leader in this sector. One form of competition is the proprietary software solutions of its customers. However, this is declining as hardware environments and end products become increasingly complex. Enea is the third-largest player in real-time operating systems on a worldwide basis.



PRODUCT DEVELOPMENT COSTS



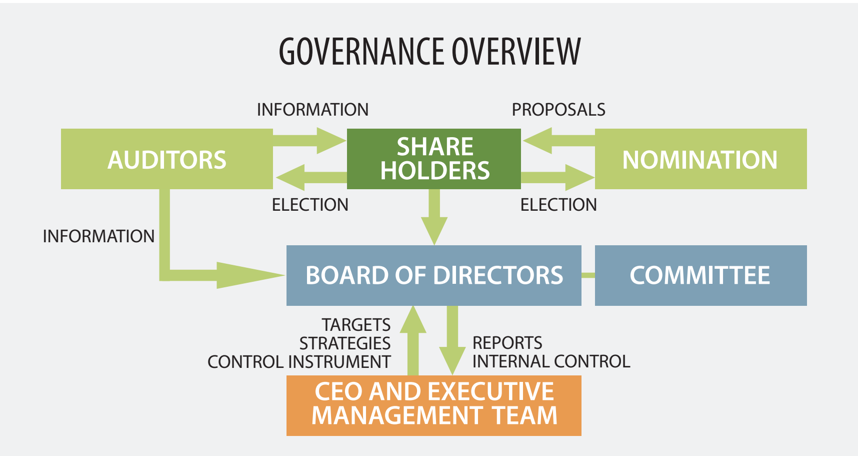
Financial risks	Comments
Currency risk Currency risk refers to the risk that the value of a financial instrument will fluctuate due to changes in exchange rates.	Enea operates in an international environment and conducts most of its sales in SEK, EUR and USD. Currency exposure is minimised to a large degree by conducting business activities in subsidiaries with revenue and expenses in local currency. A Group account structure with multiple currencies minimises exchange rate fluctuations and increases flexibility regarding the date for exchanges. Large, expected receipts and payments in foreign currency are hedged through currency forwards, in line with the financial policy. Foreign subsidiaries are translated to SEK using the current rate method, which means that the statement of comprehensive income is translated at the average rate for the period while the balance sheet is translated at the closing-day rate. Translation exposure is not hedged. In 2013, a total amount of EUR 7 million (11) was hedged. At the end of 2013, the value of derivatives outstanding was EUR 1.7 million, with a rate of 8.85. If the SEK had appreciated/depreciated by 5 percent on average against the EUR holding all other variables constant, revenue in 2013 would have been SEK 4 million higher/lower. The corresponding effect against the USD would be a revenue impact of SEK 7 million.
Cash and cash equivalent risk Liquidity risk is the risk that financing cannot be obtained, or only at a significantly higher cost.	Enea's cash pool, with mainly cash and cash equivalents in the Swedish companies, is managed by the Parent Company. The Group's liquidity is reported and monitored on an ongoing basis every week. Surplus liquidity is invested in special deposit accounts or in commercial papers with maturities ranging from one day to three months with well-established financial institutions. The investments have a low risk profile in accordance with the financial policy. Enea's liquidity risk is limited. At December 31, cash and cash equivalents amounted to SEK 163.6 million (146.7). The Group has no interest-bearing liabilities. **CASH AND CASH EQUIVALENTS** 
Capital risk The objective of the Group's capital structure is to have a stable financial position that safeguards the Group's ability to continue operating and generate returns for its shareholders, be of value to other stakeholders and to inspire confidence in the company's frequently close and long-term customer relationships.	To maintain or adjust the capital structure, the Group may pay dividends or repay capital to shareholders or issue new shares or sell assets to reduce liabilities. At the end of the year, the Group had no external financing.
Interest-rate risk Interest-rate risk refers to the risk that a financial instrument's value will fluctuate due to changes in market interest rates.	The Group has credit facilities totalling SEK 15 million, of which SEK 15 million was unutilised at December 31, 2013. Interest-rate risk in the Group's cash and cash equivalents is primarily due to developments in the Swedish fixed-income market. Since the Group has no interest-bearing liabilities, Enea's interest-rate risk is low. An increase/decrease of 1 percent in interest rates in relation to the interest on cash and cash equivalents would lead to an increase/decrease of about SEK 1.6 million in net financial items.
Credit risk Credit risk refers to the risk that the counterparty in a transaction with a financial instrument is unable to meet its obligations. The primary credit risk is that Enea does not receive payment for accounts receivable.	The Group's customers are predominantly large, well-established companies with high solvency ratios, spread across several geographic markets. To limit risks, the company's credit policy contains guidelines and regulations for assessing the credit risk of new customers, payment terms and procedures and processes for handling unpaid claims. At December 31, 2013, SEK 0 million (0.8) was set-aside for doubtful accounts receivable.

Corporate Governance Report 2013

Enea AB is a Swedish public limited company listed on the NASDAQ OMX Nordic exchange in Stockholm. Corporate governance within the Enea Group is based on Swedish legislation and the rules and recommendations issued by relevant organizations, including the Swedish Corporate Governance Board, NASDAQ OMX, the Swedish Securities Council and others. Governance, management and control of Enea are distributed between the shareholders through the Annual General Meeting, the Board and the CEO in accordance with the Swedish Companies Act and the Board's rules of procedure.

Swedish Code of Corporate Governance

The following description of the Corporate Governance Report has been prepared in accordance with the Swedish Code of Corporate Governance. During the financial year, Enea complied with the Code without exception.



Shareholders

Enea's ordinary shares are listed on the NASDAQ OMX Stockholm Small Cap list. According to the share register maintained by Euroclear Sweden, Enea had 17,054,478 shares as at 31 December 2013. On 31 December 2013, the share capital in Enea AB amounted to SEK 18,355,713, divided into 17,054,478 ordinary shares, each carrying the same voting rights and participation in the Company's earnings and capital. Enea owns 668,431 shares in the Company, corresponding to 3.9 percent of the total shares. On 31 December 2013, the largest shareholders were SIX SIS AG, with 24.6 percent and Försäkringsbolaget Avanza Pension, with 13.6 percent of shares.

Annual General Meeting

The Annual General Meeting, or where applicable, an Extraordinary General Meeting, is Enea's highest decision-making body. Every shareholder is entitled to participate in the Annual General Meeting, either in person or via a representative with power of attorney. Every shareholder is entitled to request that a matter be addressed by the Meeting. The Annual General Meeting of Enea AB took place on 10 April 2013 in Kista. The Annual General Meeting adopts the Articles of Association, appoints the Board of Directors and its Chairman, appoints auditors, adopts the income statement and balance sheet, resolves on the appropriation of earnings, discharges the Board and the CEO from liability, adopts resolutions about the Nomination Committee, the principles for remuneration of the CEO and other senior executives, etc. A two-third majority is required to amend the Articles of Association.

The 2013 Annual General Meeting resolved on:

- adopting the income statement and balance sheet for the company and the Group,
- discharging Board members and CEO from liability,
- remuneration to the Board and the auditors,
- guidelines for remuneration of senior executives,
- introducing an automatic redemption program involving a share split, the redemption of shares and a bonus issue. The redemption program involved a transfer of SEK 3.00 per share to the shareholders,
- a reduction of the share capital and bond issue,
- a reduction of the statutory reserve,
- authorisation of the Board to pass resolutions on acquisitions and transfers of treasury shares corresponding to no more than 10 percent of all shares in the company,
- authorisation of the Board to make decisions about new issue of shares for share or business acquisitions corresponding to an increase of no more than 10 percent of the share capital,
- election of Board members, Åsa Landén Ericsson, Mats Lindoff, Anders Skarin, and Kjell Duveblad, Torbjörn Nilsson and Robert Andersson were re-elected as Board members. Anders Skarin was elected Chairman of the Board.

The complete minutes from the Annual General Meeting, together with the Meeting's decision data, can be viewed at the company's website (www.enea.se) under the Investor Relations section.

Nomination Committee

The Annual General Meeting will appoint Nomination Committee members or state how they are to be appointed. Enea's Nomination Committee for the 2014 Annual General Meeting will be appointed from not less than two and not more than four of the largest shareholders in descending order from the shareholder register as at 31 August 2013. If more than two of the four largest shareholders in terms of votes declines from appointing a representative to the Nomination Committee, the next shareholder in order of size must be given the opportunity to appoint such a representative. The names of Nomination Committee members will be published in the company's third quarterly report. The mandate period for the Nomination Committee appointed will run until a new Nomination Committee has taken over. A representative of the shareholders should be appointed Chairman of the Nomination Committee.

In accordance with the above, the Chairman of the Board contacted the four largest shareholders, in terms of votes, at the end of August 2013 to ask them to appoint one member each to the Nomination Committee. Three of these appointed a representative, but the fourth declined. If any significant changes take place to the ownership structure following the appointment of the Nomination Committee, the composition of the Nomination Committee will be amended in accordance with the principles above.

The Nomination Committee will prepare and submit proposals to the Annual General Meetings for:

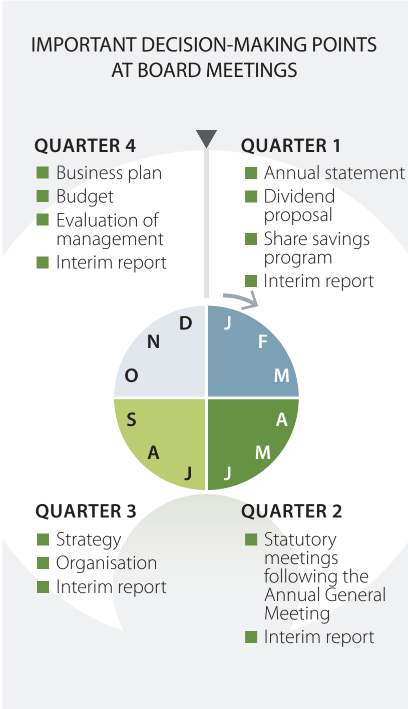
- Chairman of the forthcoming Annual General Meeting,
- election of the Chairman and other Board members,
- Board fee distributed between the Chairman and other Board members, as well as the guidelines for any remuneration for committee work,
- election and fees for auditors and deputy auditors (where necessary),
- resolution on guidelines for the composition of the Nomination Committee.

Prior to the 2014 Annual General Meeting, the Nomination Committee consists of Per Lindberg, Sverre Bergland (DnB Nor), Robert Andersson (Limhamn Förvaltning), as well as Anders Skarin (Chairman of the Board of Enea AB). The Nomination Committee has appointed Per Lindberg as Chairman.

The work of the Board

The Board shall manage the company's interests and the interest of all shareholders. The tasks of the Board include adopting business objectives and strategy, appointing, evaluating and, where necessary, dismissing the CEO, ensuring that effective systems are in place for monitoring and reviewing the company's operations, ensuring that there is satisfactory control over the company's compliance with laws and other regulations applicable to the company's operations, ensuring that the requisite ethical guidelines are adopted for the company's conduct, and ensuring that the company's provision of information is characterized by transparency and is correct, relevant and reliable.

The CEO participates at every Board meeting and reports on the company's



business situation, future prospects, financial position and events of material significance, as well as the management's budget proposals and action plan for the coming financial year. Other officers of the company also participate in Board meetings, presenting reports when necessary. The CEO does not participate in the parts of Board meetings that deal with the relationship between the CEO and the company, and the work of the CEO and other senior executives is evaluated at least once a year.

The Board members' shareholdings are stated in the presentation of the Board, see page 24.

Every year, the company's auditor presents a report to the Board based on observations made during the review and assessment of the company's internal control. The guidelines for Board's work are based on the rules of procedure, which regulate the distribution of work between the Board, the Chairman and the CEO, and the matters that are to be discussed at ordinary Board meetings. The Board's rules of procedure are adopted annually at the statutory Board meeting immediately following the Annual General Meeting and adjusted as required.

Besides the tasks already stated, the rules of procedure includes approval of the Board's meeting agenda, instructions for the CEO, the decision-making procedure within the company, the appropriate distribution of work, as well as information procedures between the company and the Board.

In 2013, the Board addressed the Enea Group's strategy and business operations, remuneration of senior executives, continuous monitoring of the operations and forecasts, interim reports, budgets and business plan for 2013, as well as a buy-back of treasury shares. The work of the Board was evaluated at the end of the year. In 2013, the Board held ten meetings, as well as one statutory meeting. In addition to the regular Board work, some members are also members of the company's Audit Committee and Remuneration Committee.

The Board received remuneration of SEK 1,600,000, to be distributed as follows: SEK 420,000 to the Chairman of the Board and SEK 200,000 each to other Board members appointed by the Annual General Meeting, as well as SEK 180,000 to be distributed among Board members according to their efforts and participation in committee work. Details of Board members' remunerations are presented in Note 4/21.

BOARD INDEPENDENCE

All Board members were to be considered independent in respect of the company and the Group Management and in respect of major shareholders in the company. For information on Board members and the CEO, see pages 24-25.

AUDIT COMMITTEE

The Audit Committee is a Board committee that consisted of Åsa Landén Ericsson (Chairman), Torbjörn Nilsson and Robert Andersson. Enea's CFO and the company's auditor are co-opted to the meetings, which are normally held once per quarter. The work of the Audit Committee is minuted and reported to the Board.

The Audit Committee is responsible for the preparation of the Board's work on quality assurance of the company's financial reporting, informing itself of the direction and scope of the audit, and discussing coordination between the external audit and the company's internal control functions and the view of the company's risks, adopting guidelines for services other than the audit that the company may procure from the company's auditor, evaluating the audit efforts and informing the company's Nomination Committee of the evaluation, as well as assisting the Nomination Committee with its proposals for auditors and remuneration.

In 2013, the Audit Committee held four meetings, all in connection with the quarterly financial statements. An account of attendance by Board members is presented in the table below. The presentation of the company's interim reports, product

ATTENDANCE AT BOARD MEETINGS

Meeting No. 4 was statutory.

Member	1	2	3	4	5	6	7	8	9	10	11
Anders Skarin (Chairman)	X	X	X	X	X	X	X	X	X	X	X
Robert W. Andersson	X	X	X	X	X	X	X	X	X	X	X
Kjell Duveblad	X	X	X	-	X	X	X	X	X	X	X
Åsa Landén Ericsson	X	X	X	X	X	X	X	X	X	X	X
Mats Lindoff	X	X	X	X	X	X	-	X	X	X	X
Torbjörn Nilsson	X	X	X	X	X	X	X	X	X	X	X
Eva Swedberg	X	X	X	X	X	X	X	X	X	-	-

profitability, goodwill and other intangible assets, accounts receivable, risk management, finance-related issues and internal reviews were the main topics discussed.

The Group's auditor reports his findings from the audit to the entire Board each year in connection with the annual financial statements. In addition, the Board meets the company's auditor at least once a year – without the presence of the Group Management – to learn about the focus and scope of the audit, and to discuss coordination between the external audit and the internal control and views of the company's risks.

REMUNERATION COMMITTEE

The overall responsibilities of the Board cannot be delegated, but the Board has established a Remuneration Committee tasked with preparing issues relating to salaries, remuneration and other terms of employment for the CEO and other members of the Group Management.

In 2013, the Committee comprised Board members Anders Skarin (Chairman), as well as Kjell Duveblad. The Remuneration Committee is convened as required and reports on its work to the Board. The remuneration committee held three meetings in 2013.

CEO

Anders Lidbeck has been the CEO since 2011. His other significant tasks include Chairman of the Board of Scalado AB until June 2013, Creandum II Advisor AB until May 2013, as well as Creandum Advisor AB. Anders Lidbeck has no material shareholdings in companies with whom Enea has business relations.

Internal control and risk management concerning the financial reporting

The Board is responsible for the internal control in accordance with the Swedish Companies Act, the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance. The following description is limited to the internal control related to financial reporting.

CONTROL ENVIRONMENT

Enea's objective is to fulfil requirements for continuous work pertaining to risk and internal control as part of Enea's compliance with the Swedish Code of Corporate Governance. At Enea, internal control of financial reporting is an integral part of corporate governance. It includes processes and methods to secure the Group assets and accuracy in the financial reporting, and this aims to protect the owners' investment in the company.

The Board monitors the quality of the financial reporting in a number of ways. The Board approves the rules of procedure each year, which include regulating the tasks of the Chairman and CEO. According to these instructions, the CEO is responsible for reviewing and ensuring the quality of all financial reporting, and for ensuring that the Board in general receives the reports required for the Board to assess the financial position of the Group on a continuous basis. The instructions to the CEO include the issues on which the CEO is permitted to exercise his authority to represent the company, but only after receiving authorisation or approval from the Board.

At the statutory Board meeting following

BOARD OF DIRECTORS 2013

Name	Anders Skarin	Robert W. Andersson	Kjell Duveblad	Åsa Landén Ericsson	Mats Lindoff	Torbjörn Nilsson	Eva Swedberg
Born	1948	1960	1954	1965	1961	1953	1968
Appointed	2005	2012	2008	2003	2010	2012	2012
Role in the Board	Chairman of the Board since September 2011	Board member	Board member	Board member	Board member	Board member	Employee representative SI
Education	Bachelor of Science	Master of Science in Economics (Finland) and MBA (US)	Bachelor of Science in Business Administration, Stockholm School of Economics	Master of Science in Engineering, and MBA	Master of Science in Engineering EE	Master of Science in Engineering, and Bachelor of Science in Business Administration	Master of Science in Mechanical Engineering
Previous positions	President of Programator (listed) and Nordic Manager of Cap Gemini, Board work and management consulting	Nokia Group 1985-2012, including SVP Asia Pacific, EVP Customer and Market Operations, SVP Corporate Alliances and Business Development	Sales Director of IBM Svenska AB and President of Oracle Sweden, Nordic region and the Baltic countries	Acting President and CEO of Enea AB and Scanpix Sweden, Investment Manager of Catella Holding and Catella IT AB	Chief Technology Officer Sony-Ericsson, President of C-Techologies AB	Chairman of the Board/Member of unlisted technology company, Vice President of the Ericsson Group	Test Manager of CM at Enea, Consultant, AGA Process controller, Energo developer control systems
Other Board assignments	Chairman of PocketMobile Communications AB and Infobric, as well as Board member of Acando AB	Vice Chairman of Stiftelse Svenska Handelshögskolan and Board member of PALTA (employers' organisation, Finland), Walter and Andree de Nottbecks foundation	Chairman of the Board of Encon AB, Remium Nordic AB and Framsteg AB, as well as Board member of a number of unlisted companies	Board member of Almega IT and Telekomföretagen	Board member of Free2move, as well as a number of unlisted companies	Board member of Transmode AB, Flexenclosure AB, as well as a number of unlisted companies	-
Own and related parties' shareholding 2013 (2012)	15,000 (15,000)	0	10,000 (10,000)	2,500 (2,500)	990 (990)	0	2,250 (2,250)
Committee work	Remuneration Committee	Audit Committee	Remuneration Committee	Audit Committee	-	Audit Committee	-
Primary occupation	Management consulting and Board work	President and Chief Executive Officer of Sonera in Finland	Consultant	President of Enfo Pointer AB	Partner in EMA-Technology and Consulting	Strategy consultant and Board work	Team Manager, OSE
Attendance at Board meetings	11	11	11	11	10	11	9
Attendance at committee meetings	3	4	3	4	-	4	-

Enea's Board as of 31 December 2013. All shareholdings, including those of related parties as of 31 December 2013

MANAGEMENT GROUP 2013

							
Name	**Anders Lidbeck**	**Håkan Rippe**	**Tobias Lindquist**	**Karl Mörner**	**Adrian Leufvén**	**Bogdan Putinica**	**Catharina Paulcén**
Born	1962	1968	1972	1975	1972	1977	1973
Employed since	2011	2009	2011	1998	1998	2007	2009
Member of Management Group since	2011	2009	2011	2011	2008	2011	2009
Position	President and CEO since September 2011	CFO	Chief Technology Officer	Senior Vice President, Products	Senior Vice President, Sales	Senior Vice President, Global Services	Senior Vice President, Marketing and Communication
Education	Bachelor of Business Administration, Lund University	Master of Science in Engineering, Chalmers University of Technology	Master of Science in Engineering, Lund University	Graduate engineer, Skövde University	Master of Science in Engineering, Royal Swedish Institute of Technology	International Finance and Banking, Academy of Economic Studies Bucharest, Romania	International business administration, Universities of Lund and Mannheim
Previous positions	President and CEO of Telelogic, diverse sales and marketing positiona at Nokia, ICL and Telia Megacom, including President of ICL Direct in Benelux and Vice President of Sales and Marketing of ICL Industry systems Europe	Head of Business Development of Enea, Senior Vice President Nordic Consulting at Enea, Business Development Executive at IBM Rational Software and Executive Vice President Corporate Development at Telelogic	Corporate head architect and responsible for system architecture at Sony Ericsson, Director Head of platform program office at Sony Ericsson Mobile Communications. Senior Manager, Head of Software Architecture, Open Platform at Sony Ericsson	Director of Product Management at Enea, Director of System Management at Enea, System architect at Enea and Team leader at Enea	Development Manager at Enea, VP Strategic Outsourcing at Enea, VP Support at Enea, VP Marketing at Enea, Director Asian Sales at Enea	CEO of Enea Romania, Global Sales Director Product Services at Enea Romania and President of IP Devel	Branding Manager at IBM Nordics, Director of Marketing at IBM Rational Software and Executive Vice President Marketing and Communications at Telelogic
Own and related parties' shareholdings 2013 (2012)	50,000 *(through endowment insurance)* (50,000)	50,000 *(of which, 45,000 through endowment insurance)* (50,000)	3,500 (3,500)	500 (500)	29,500 (14,500)	3,500 (3,500)	12,500 (12,500)

Enea's Management Group as of 31 December 2013. All shareholdings, including those of related parties as of 31 December 2013

the Annual General Meeting, Enea's Board adopts the rules of procedure for the Board, the Audit Committee and the Remuneration Committee.

In addition, the instruction to the CEO, attestation instruction and instruction for trading the company's shares are approved.

Enea's CEO and Group management hold operational responsibility for the internal control. Based on the Board's guidelines and laws and regulations relating to financial reporting, management has established the distribution of roles and responsibilities for employees working with financial reporting within the Group. The Group is divided into units, with the manager of each unit responsible for the fulfilment of objectives and budget, and compliance with governance issues for the unit. Enea's organisational structure is communicated on the Group's intranet so that roles and areas of responsibility are clear to everyone working with financial information.

Enea has issued instructions to subsidiary managers, based on the same frameworks and guidelines that apply for the CEO of Enea AB. Enea also has a number of policies available to employees via the intranet, which govern the work at Enea and create a foundation for good internal control, including a finance policy, attestation policy, IT policy, environmental policy, insider policy and communications policy. The Group also has an accounting and reporting manual with instructions on the Group's accounting policies, reporting instructions and a schedule, to ensure that consistent and accurate accounting information is provided in a timely manner. These guidelines are followed up and updated regularly and communicated to all employees who work directly or indirectly with financial reporting.

RISK ASSESSMENT

The objective of Enea's risk assessment is to secure the Group's profit development and financial position. Enea AB's Board approves policies and guidelines for risk management at Enea, and the CEO and Group management hold operational responsibility. Regular risk assessments are carried out within the scope of Enea's monthly financial follow-ups by the managers of each unit, the Management Group and the controller, and measures are implemented as required.

CONTROL ACTIVITIES

Each business area at Enea is followed up every month by the relevant management and controller. Results are compared with earlier results and budgets for all units. Enea's Group management held scheduled meetings twice a month in 2013 to monitor operations and the business situation, the financial outcome compared with the budget and preceding periods, to establish forward-looking sales and earnings forecasts, as well as any measures deemed necessary for good internal control. The CEO distributes an aggregated report every month to the Board. When necessary, more detailed follow-ups are performed, for example, in the form of reviews of subsidiaries implemented by controllers.

In 2013, Enea's auditors performed a review in connection with the third quarterly report and submitted a review report in the interim report for 1 January - 30 September 2013 and a review of the annual financial statements, when the company's auditors submitted its Audit Report in the company's 2013 Annual Report.

Given the scope and limited complexity of the operations, combined with the existing reporting to the Board and the Audit Committee, the Board does not consider the establishment of a specific internal audit function to be financially viable. The internal control described above is deemed sufficient to assure the quality of the financial reporting.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK thousands (1 January–31 December)	Note	2013	2012
Net sales	2	**408,518**	**467,806**
Operating expenses			
Cost of sold products and services		-111,576	-138,479
Gross profit/loss		**296,942**	**329,327**
Sales and marketing expenses		-76,052	-102,143
Product development expenses		-90,362	-85,150
Administration expenses		-48,412	-69,502
Operating profit/loss	3, 4, 5, 6, 7, 10, 11, 21	**82,116**	**72,532**
Financial income		7,041	8,090
Financial expenses		-5,351	-3,889
Net financial items	8	**1,690**	**4,201**
Profit/loss before tax		**83,806**	**76,733**
Tax	9	-20,631	-23,104
Profit after tax, continuing operations		**63,175**	**53,629**
Profit, divested operations[1]		-	61,711
Profit after tax		**63,175**	**115,340**
Other comprehensive income			
Exchange-rate difference		1,012	-7,894
Cash flow hedging, profit before tax		-743	-1,051
Cash flow hedging, tax effect		163	308
Total comprehensive income for the year, net after tax		**63,607**	**106,703**
Profit/loss for the period attributable to Parent Company shareholders		63,175	115,340
Comprehensive income for the period attributable to Parent Company shareholders		63,607	106,703
Earnings per share, SEK	16	3.83	6.85

The company has no outstanding instruments that may entail a dilution effect.

1) Comparative figures for 2012 have been recalculated in regard to the divestment of Nordic Consulting and have been reclassified in accordance with IFRS 5, as well as comments from NASDAQ OMX.

BALANCE SHEET – GROUP

SEK thousands (31 December)	Note	2013	2012
Assets			
Intangible assets	10	121,727	121,479
Equipment, tools, fixtures and fittings	11	9,877	13,678
Financial investments		1,009	28,960
Deferred tax assets	9	2,269	5,677
Total fixed assets		**134,882**	**169,794**
Accounts receivable	12	104,949	112,159
Tax assets		2,567	2,338
Prepaid expenses and accrued income	13	21,371	25,019
Other receivables		11,891	2,254
Derivative instruments	14	-	1 409
Cash and cash equivalents		163,591	146,747
Total current assets		**304,369**	**289,926**
Total assets		**439,251**	**459,720**
Shareholders' equity	15		
Share capital		18,356	18,356
Other capital contributions		433,382	713,992
Reserves		-26,116	-26,548
Profit carried forward, including profit/loss for the year		-54,439	-338,586
Total shareholders' equity		**371,183**	**367,214**
Provisions			
Deferred tax liabilities	9	10,341	6,625
Other provisions		1,243	131
Total provisions		**11,584**	**6,756**
Current liabilities			
Accounts payable		7,080	11,784
Tax liabilities		1,594	7,156
Other liabilities		10,703	11,091
Derivative instruments	14	109	-
Accrued expenses and prepaid income	17	36,998	55,719
Total current liabilities		**56,484**	**85,750**
Total shareholders' equity and liabilities		**439,251**	**459,720**
Pledged assets		None	None
Contingent liabilities		-	-

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

SEK thousands (1 January–31 December)	Share capital	Other capital contributions	Reserves: Cash flow Hedging	Reserves: Translation Reserve	Profit brought forward including net profit for the year	Total shareholders' equity
Opening balance, January 1, 2012	**18,356**	**713,992**	**1,323**	**-19,234**	**-298,526**	**415,911**
Comprehensive income						
Profit/loss for the year					115,340	115,340
Other comprehensive income						
Cash flow hedging, profit before tax			-1,051			-1,051
Cash flow hedging, tax effect			308			308
Translation difference				-7,894		-7,894
Total other comprehensive income			**-743**	**-7,894**		**-8,637**
Total comprehensive income			**-743**	**-7,894**	**115,340**	**106,703**
Transactions with shareholders						
Dividend	-9,178				-125,898	-135,076
Bonus issue	9,178				-9,178	-
Share savings plan					1,828	1,828
Buy-back of own shares					-22,152	-22,152
Total transactions with shareholders	**-**	**-**			**-155,400**	**-155,400**
Closing shareholders' equity, 31 Dec, 2012	**18,356**	**713,992**	**580**	**-27,128**	**-338,586**	**367,214**
Opening shareholders' equity, 1 Jan 2013	**18,356**	**713,992**	**580**	**-27,128**	**-338,586**	**367,214**
Comprehensive income						
Profit/loss for the year					63,175	63,175
Other comprehensive income						
Cash flow hedging, profit before tax			-743			-743
Cash flow hedging, tax effect			163			163
Translation difference				1,012		1,012
Total other comprehensive income			**-580**	**1,012**		**432**
Total comprehensive income			**-580**	**1,012**	**63,175**	**63,607**
Transactions with shareholders						
Dividend	-9,177				-40,304	-49,481
Reduction, shares	-629				629	-
Bonus issue	9,806	-280,610			270,804	-
Share savings plan					3,432	3,432
Buy-back of own shares					-13,589	-13,589
Total transactions with shareholders	**-**	**-280,610**			**220,972**	**-59,638**
Shareholders' equity on 31 December, 2013	**18,356**	**433,382**	**-**	**-26,116**	**-54,439**	**371,183**

CONSOLIDATED CASH-FLOW STATEMENT

SEK thousands (1 January–31 December)	Note 19	2013	2012
Operating activities			
Profit/loss before tax		83,806	138,444
Adjustment for items not included in cash flow		23,262	-54,883
		107,068	83 561
Tax paid		-19,073	-8,100
Cash flow from operating activities before changes in working capital		**87,995**	**75,461**
Cash flow from changes in working capital			
Change in operating receivables		12,813	9,240
Change in operating liabilities		-24,192	-4,601
Cash flow from changes in working capital		**-11,379**	**4,639**
Cash flow from current operations		**76,616**	**80,100**
Investment activities			
Acquisition of intangible assets		-12,554	-10,450
Acquisition of tangible fixed assets		-1,723	-4,676
Acquisition of financial assets		-7	-637
Divestment of operations		18,000	115,387
Cash flow from investing activities		**3,716**	**99,624**
Financing activities			
Dividend		-49,481	-135,076
Buy-back of own shares		-13,589	-22,152
Cash flow from financing activities		**-63,070**	**-157,228**
Cash flow for the year		**17,262**	**22,496**
Cash and cash equivalents at the beginning of the year		146,747	127,302
Exchange-rate differences in cash and cash equivalents		-418	-3,051
Cash and cash equivalents at end of period		**163,591**	**146,747**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK thousands (1 January–31 December)	Note	2013	2012
Net sales	2	**48,823**	**53,787**
Operating expenses			
Administration expenses		-48,740	-53,664
Operating profit/loss	3, 4, 5, 7, 10, 11, 21	**83**	**123**
Interest income and similar income items		3,328	8,807
Interest expenses and similar expense items		-620	-294
Net financial items	8	**2,708**	**8,513**
Profit/loss after financial items		**2,791**	**8,636**
Appropriations		-291	-1,719
Profit/loss before tax		**2,500**	**6,917**
Tax	9	-577	-1,476
Profit/loss for the year		**1,923**	**5,441**

PARENT COMPANY BALANCE SHEET

SEK thousands (31 December)	Note	2013	2012
Assets			
Intangible assets	10	52	483
Equipment, tools, fixtures and fittings	11	3,924	5,324
Participation in Group companies	18	172,034	172,034
Financial investments		-	28,000
Total fixed assets		**176,010**	**205,841**
Receivables from Group companies	20	2,781	67,071
Tax assets		1,582	206
Prepaid expenses and accrued income	13	4,931	5,820
Other receivables		10,370	2
Cash and bank balances		131,419	94,034
Total current assets		**151,083**	**167,133**
Total assets		**327,093**	**372,974**
Shareholders' equity	15		
Restricted equity			
Share capital		18,356	18,356
Reserve fund		-	280,610
Non-restricted equity			
Share premium reserve		2,711	2,082
Earnings brought forward		254,653	29,039
Profit/loss for the year		1,923	5,441
Total shareholders' equity		**277,643**	**335,528**
Provisions			
Untaxed reserves		6,053	5,762
Total provisions		**6,053**	**5,762**
Liabilities			
Accounts payable		1,020	5,565
Liabilities to Group companies	20	32,306	12,134
Other liabilities		1,031	1,927
Accrued expenses and prepaid income	17	9,040	12,058
Total current liabilities		**43,397**	**31,684**
Total shareholders' equity and liabilities		**327,093**	**372,974**
Pledged assets		None	None
Contingent liabilities		-	-

CHANGE IN PARENT COMPANY'S SHAREHOLDERS' EQUITY

	Restricted equity		Non-restricted equity			
SEK thousands (1 January–31 December)	**Share capital**	**Reserve fund**	**Share premium reserve**	**Earnings brought forward**	**Profit/loss for the year**	**Total shareholders' equity**
Opening balance, 1 January, 2012	**18,356**	**289,788**	**2,082**	**175,261**		**485,487**
Redemption program	-9,178			-125,898		-135,076
Bonus issue	9,178	-9,178				-
Share-savings plan				1,828		1,828
Buy-back of own shares				-22,152		-22,152
Profit/loss for the year					5,441	5,441
Closing shareholders' equity, 31 Dec, 2012	**18,356**	**280,610**	**2,082**	**29,039**	**5,441**	**335,528**
Opening shareholders' equity, 1 Jan 2013	**18,356**	**280,610**	**2,082**	**34,480**		**335,528**
Redemption program	-9,178			-40,303		-49,481
Reduction, shares	-629		629			-
Bonus issue	9,807	-280,610		270,803		-
Share-savings plan				3,262		3,262
Buy-back of own shares				-13,589		-13,589
Profit/loss for the year					1,923	1,923
Shareholders' equity on 31 December, 2013	**18,356**	**-**	**2,711**	**254,653**	**1,923**	**277,643**

CASH-FLOW STATEMENT FOR PARENT COMPANY

SEK thousands (1 January–31 December)	Note 19	2013	2012
Operating activities			
Profit/loss before tax		2,500	6,917
Adjustment for items not included in cash flow		6,165	8,950
		8,665	15,867
Tax paid		-1,953	-2,083
Cash flow from current operations before changes in working capital		**6,712**	**13,784**
Cash flow from changes in working capital			
Change in operating receivables		83,006	36,229
Change in operating liabilities		11,518	1,542
Cash flow from changes in working capital		**94,524**	**37,771**
Cash flow from current operations		**101,236**	**51,555**
Investment activities			
Acquisition of tangible fixed assets		-781	-1,689
Divestment of subsidiaries		-	115,379
Cash flow from investing activities		**-781**	**113,690**
Financing activities			
Dividend		-49,481	-135,076
Buy-back of own shares		-13,589	-22,152
Cash flow from financing activities		**-63,070**	**-157,228**
Cash flow for the year		**37,385**	**8,017**
Cash and cash equivalents at the beginning of the year		94,034	86,017
Cash and cash equivalents at end of period		**131,419**	**94,034**

NOTE 1

Amounts in SEK 000s unless otherwise specified.

Compliance with standards and legislation

The consolidated financial statements have been prepared in accordance with the Swedish Company Accounts Act, International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), and interpretation pronouncements from the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups has also been applied.

The Parent Company applies the same accounting policies as the Group except in the cases stated below in the section on "Parent Company accounting policies". The inconsistencies between the Parent Company's and the Group's policies stem from the limited opportunities for applying IFRS to the Parent Company as a consequence of the Swedish Annual Accounts Act, and in some instances for tax reasons.

Conditions applying to preparation of Parent Company financial statements and consolidated financial statements

The Parent Company's functional currency is Swedish kronor (SEK) which also constitutes the presentation currency for the Parent Company and the Group. This means that the financial statements are presented in SEK. Assets and liabilities are recognised at historical cost, except certain financial assets and liabilities, which are measured at fair value.

In order to prepare financial statements in accordance with IFRS, company management is required to make accounting assessments and estimates as well as assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, income and costs. The estimates and assumptions are based on historical experience and a number of other factors that are deemed reasonable under prevailing circumstances. The result of these estimates and assumptions are then used to assess the carrying amounts of assets and liabilities that are not otherwise clear from other sources. Actual outcomes may deviate from these estimates and assessments.

The estimates and assumptions are reviewed regularly. Changes to estimates are recognised in the period in which the change is made if the change has only impacted this period, or in the period in which the change is made and future periods if the change affects both the current period and future periods.

When applying IFRSs, assessments made by executive management that have a significant impact on the financial statements and the estimates and which could result in substantial adjustments to the financial statements of subsequent years are described in greater detail in Note 24.

The accounting policies stated below for the Group have been applied consistently in all periods presented in the consolidated financial statements, unless stated otherwise. The Group's accounting policies have been applied consistently to the recognition and consolidation of subsidiaries.

Changes in accounting policies and disclosures

NEW AND REVISED STANDARDS AND INTERPRETATIONS OF EXISTING STANDARDS APPLIED BY THE GROUP

None of the IFRS or IFRIC interpretations that are statutory for first-time adoption for financial years beginning on January 1, 2013 had any material impact on the Group.

IAS 1 Presentation of Financial Statements
(Presentation of Other comprehensive income)
The amendment includes a requirement that items recognised in "Other comprehensive income" must be presented divided into two categories: items that will be reclassified in profit or loss and items that will not be reclassified in profit or loss. The amendment came into effect on 1 July 2012 and has had no significant impact on the consolidated or the Parent Company's financial statements.

IFRS 7 (amendment), "Financial instruments: disclosures"
Amendment pertaining to disclosures related to the offsetting of assets and liabilities. The amendment contains requirements for new disclosures aimed at facilitating comparison of companies that prepare their financial statements in line with IFRS with the financial statements of companies that prepare their financial statements according to US GAAP. The standard came into effect on 1 January 2013. The amendment has had no significant impact on the consolidated or Parent Company's financial statements.

IFRS 13 Fair Value Measurement
The standard provides an exact definition and a joint source in IFRS for fair values and the associated information. The standard came into effect on 1 January 2013. The amendment has had no significant impact on the consolidated or the Parent Company's financial statements.

IAS 36 (amendment), "Impairment losses"
An amendment of IAS 36, "Impairment losses", has been made that affects disclosures concerning the recoverable amount of non-financial assets. The amendment removes a disclosure requirement for the recoverable amount of cash-generating units, which had been introduced in IAS 36 when IFRS 13 came into effect. Although the amendment is not mandatory for the Group until 1 January 2014, the Group has decided to apply the amendment as of 1 January 2013.

NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS OF EXISTING STANDARDS THAT HAVE NOT BEEN APPLIED IN ADVANCE BY THE COMPANY

A number of new standards and amendments to existing standards and interpretations enter into force for fiscal years beginning after 1 January 2013 and have not been applied in the preparation of the consolidated financial statements. The following is a description of new and amended standards that are regarded as relevant to and that could impact future consolidated financial statements.

IFRS 10, "Consolidated financial statements"
The standard is based on existing policies since it identifies control as the decisive factor in determining whether a company needs to be included in the consolidated financial statements and also provides further guidance for how to determine whether there are grounds for control in cases where this may be difficult to determine. The standard also denotes how the consolidated financial statements should be presented. The standard comes into effect on 1 January 2014. The standard is not expected to have any material impact on the consolidated financial statements.

IAS 27 (amendment 2011), "Separate Financial Statements"
Since IAS 27 has been replaced by IFRS 10 in respect of the rules for preparing consolidated financial statements, IAS 27 will only contain rules for the recognition and disclosure of subsidiaries, associated companies and joint ventures in separate financial statements. The rules concerning this in IAS 27 will remain unchanged, subject to very few clarifications. The standard comes into effect on 1 January 2014. The amendment is not expected to have any material impact on the consolidated financial statements.

IAS 32 (amendment),"Financial instruments: Classification – Offsetting Financial Assets and Financial Liabilities"
Assets and liabilities may only be offset when a legally enforceable right to set off the amounts exists and the intention is to settle the item on a net basis, or to realise the asset and settle the liability simultaneously. The amendment clarifies what is intended by the aforementioned reasons for offsetting. The standard comes into effect on 1 January 2014. The amendment is not expected to have any material impact on the consolidated financial statements.

IFRIC 21, "Levies"
Interpretation of IAS 37, "Provisions, contingent liabilities and contingent Assets". IAS 37 provides clarification of the criteria for recognising a liability, of which one criterion is that the company has an existing obligation due to the actual occurrence of an event. The interpretation clarifies what the obligating event that triggers the payment of the levy is, and when it is to be recognised. The interpretation comes into effect on 1 January 2014. The amendment is not expected to have any material impact on the consolidated financial statements. The interpretation has yet to be adopted by the EU.

IFRS 9, Financial Instruments
IFRS 9 retains the model, in a simplified form, of several measurement regimes based on two primary measurement criteria: amortised cost and fair value. Although this may have an impact on the way the Group recognises financial assets, the Group has yet to evaluate the entire impact on the consolidated financial statements. The standard has not yet been adopted by the EU.

Segment reporting

The operating segments are reported in a manner that complies with the internal reporting provided to the highest executive decision-making authority. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of segments. For the Group, this function has been identified as the CEO. The Group applies IFRS 8 Operating segments as of 1 January 2009.

Classification, etc.

Fixed assets and long-term liabilities in the Parent Company and Group essentially consist only of amounts expected to be recovered or paid after more than 12 months of the balance sheet date. Current assets and current liabilities in the Parent Company and Group essentially consist only of amounts expected to be recovered or paid within 12 months of the balance sheet date.

Consolidation policies

SUBSIDIARIES

Subsidiaries are companies over which Enea AB exercises a controlling influence. Controlling influence entails a direct or indirect right to determine a company's financial and operational strategies with the purpose of generating financial benefits. When assessing whether controlling influence exists, shares providing potential entitlement to votes that can be utilised or converted without delay are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements as of the date on which the controlling influence is transferred to the Group until the time that the controlling influence ceases.

The purchase method is used to recognise the Group's business combinations. The purchase consideration for the acquisition of a subsidiary comprises the fair value of transferred assets, liabilities and the shares issued by the Group. The consideration also includes the fair value of all assets or liabilities resulting from an agreement concerning a contingent consideration. Acquisition-related costs are expensed as they arise. Identifiable acquired assets and assumed liabilities in a business acquisition are initially measured at fair value on the date of acquisition. For each acquisition, the Group determines whether all non-controlling interests in the acquired company are recognised at fair value or at the proportionate share of net assets of the acquired company.

The amount by which the transferred consideration, any non-controlling interests and the fair value of previous shareholdings on the date of transfer exceeds the fair value of the Group's share of identifiable acquired net assets is recognised as goodwill. When the difference is negative, it is recognised directly in profit and loss.

All intra-Group receivables, liabilities, income or expenses and unrealised gains or losses attributable to intra-Group transactions are eliminated when the consolidated financial statements are prepared. Unrealised losses are eliminated in the same manner as unrealised gains.

Foreign currency

TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currencies are translated into the functional currency at the exchange rate in force on the transaction date. Monetary assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate in force on the balance sheet date. Exchange-rate differences arising in conjunction with such translation are recognised in profit or loss. Exchange-rate differences on non-monetary assets and liabilities are recognised in operating profit, while exchange-rate differences on monetary assets and liabilities are recognised in net financial income. Non-monetary assets and liabilities that are recognised at historical cost are translated at the exchange rate prevailing on the transaction date. Non-monetary assets and liabilities recognised at fair value are translated into the functional currency at the exchange rate in force on the date of fair value measurement. The exchange-rate change is then recognised in the same way as the other value changes in respect of the asset or liability.

Functional currency is the currency in the primary economic environments where the companies included in the Group run their business. The companies included in the Group are the Parent Company and subsidiaries. The Parent Company's functional currency and reporting currency is Swedish kronor (SEK). The Group's reporting currency is SEK.

FINANCIAL STATEMENTS OF FOREIGN OPERATIONS

Assets and liabilities in foreign operations, including goodwill and other consolidated surplus and deficit value, are translated to SEK using the exchange rate prevailing on the balance-sheet date. Income and expenses in foreign operations are translated to SEK using an average exchange rate that represents an approximation of the exchange rates for each particular transaction date. Translation differences that arise from currency translation of foreign operations are recognised in other comprehensive income. On divestment of a foreign operation, the accumulated translation differences attributable to the operation are realised. Accumulated translation differences are presented as a separate category under "Reserves" and include translation differences accumulated as of 1 January 2004. Accumulated translation differences before 1 January 2004 are allocated to other equity categories and are not recognised separately.

Income

The Group has income from sales of software and services. The following are the criteria applying for recognising income from licenses and, wherever appropriate, income from services.

- A written contract signed by both parties.
- Delivery has occurred.
- The license fee must be a fixed amount or calculated using a reliable method, and no withdrawal options are available, or the credit period is less than 12 months.
- It is probable that payment will be received.

SALES OF SOFTWARE

Sales of software generate income in the form of license fees, buyouts (the customer purchases the product for an unlimited time), royalties and maintenance contracts.

Development licenses and buyouts

For both development licenses and buyouts, income is recognised when delivery of the software has been completed. Income from time-limited license fees is accrued over the contract period in accordance with current financial significance of the contract, while income from non-time-limited license fees and buyouts is recognised at delivery when no material obligations remain.

Support and maintenance are sold in part separately and in part together with the licenses. Separate maintenance contracts normally have a term of 12 months and the income is accrued straight line over the contract period.

In connection with sales of time-limited development licenses, support and maintenance is included in the license fee, as is entitlement to upgrades. In respect of such multi-component contracts, income from license sales is recognised in the amount representing the fair value of the license in relation to the fair value of the sales contract as a whole. Income from the service component, which corresponds to the fair value of the service component in relation to the fair value of the sales contract, is accrued over the service period. The fair value of the various components is determined on the basis of current market prices of these components when they are sold separately.

Production licenses (Royalties)

Royalties are accrued in accordance with the current agreement's financial significance when final delivery has occurred.

SERVICES

Services are executed on a current account basis and are recognised in income as the work is completed. Services that are based on a functional undertaking are recognised in income straight-line over the contractual period during which the services are provided. A functional undertaking involves a service function with an indeterminate number of services that are to be maintained over a specific period. Projects that are executed at a fixed price are recognised in income as they are completed, which is determined on the basis of contract costs incurred in relation to estimated contract costs for the entire contract in accordance with the percentage-of-completion method. If a loss risk is deemed to exist, individual provisions are posted continuously.

Operating expenses and financial income and expenses

COST OF OPERATIONAL LEASES

The cost of operational lease contracts is recognised straight line in profit or loss over the leasing period. Benefits received in connection with the signing of an agreement are recognised as part of the total lease expense in profit or loss.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses may consist of interest income from bank deposits and receivables and fixed-income securities, interest on loans, dividend income, exchange-rate differences and unrealised and realised gains on financial investments, as well as derivative instruments used in financing activities.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest rate method. The effective interest rate is the interest rate that makes the current value of all future deposits and disbursements during the fixed interest term the same as the carrying amount of the receivable or liability. Interest income includes accrued amounts of transaction expenses and any discounts, premiums and other differences between the original value of the receivable and the amount received upon maturity. The Group does not capitalise interest on the cost of assets, since its development projects do not extend over a period exceeding one year.

Financial instruments

Financial instruments recognised in the balance sheet include, on the asset side, cash and cash equivalents and accounts receivable, and, on the liabilities and equity side, accounts payable and other current and non-current liabilities. A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the contractual terms of the instrument. Accounts receivable are recognised in the balance sheet when the invoice has been sent. Accounts payable are recognised in the balance sheet when the invoice has been received. A financial asset is derecognised from the balance sheet when the contractual rights have been realised, expire or the company loses control over them. Spot purchases and sales of financial assets are recognised on the transaction date, which is the date on which the company commits to acquire or sell the asset. A financial liability is derecognised from the balance sheet when the contractual obligation has been fulfilled or is in some other way extinguished. The fair value of quoted financial assets corresponds to the highest price paid quoted for the asset on the balance-sheet date. Should no such price be available, valuation takes place through generally acceptable methods, such as discounting of future cash flows to the market interest rate for the particular maturity.

For short-term loans and investments, the fair value is assumed to correspond to the carrying amount since a change in market interest rates would not have a material impact on the market value.

Financial assets and liabilities are offset and recognised in a net amount in the balance sheet only when a legal right exists to offset the items and there is an intention to settle the amount net, or to simultaneously realise the asset and settle the liability. Financial assets and liabilities are divided into the following categories according to IAS 39.

LOANS AND ACCOUNTS RECEIVABLE

This category includes financial assets that do not constitute derivative instruments, with fixed or determinable payments, and that are not listed on an active market. These receivables arise when money, goods or services are provided directly to another party without an intention to trade in the receivables. The assets in this category are measured at amortised cost, less any provision for value depletion. The category includes accounts receivable and cash and cash equivalents.

Accounts receivable

When the estimated maturity of accounts receivable is short, recognition occurs in the amount expected to flow in based on an individual assessment of doubtful receivables and without discounting, according to the method for recognising accrued cost. Any impairment losses on accounts receivable are recognised in operating results.

Cash and cash equivalents

Cash and cash equivalents consist of cash at financial institutions and short-term investments with an original maturity of less than three months. Cash and cash equivalents are recognised in nominal amounts.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This category includes assets intended to be sold in the short term. Derivatives with a positive market value are included in this category if they are not subject to hedge accounting. The assets in this category are measured continuously at fair value and the changes in value are recognised in profit and loss. During the year, only financial derivatives were classified in this category.

FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT AND LOSS

This category includes derivative instruments with a negative market value if they are not subject to hedge accounting. Similarly, it includes financial liabilities held for sale. The liabilities in this category are measured continuously at fair value and the changes in value are recognised in profit and loss. During the year, only financial derivatives have been classified in this category.

RECOGNITION OF DERIVATIVES USED IN HEDGE ACCOUNTING

All derivatives are measured initially and then continuously at fair value in the balance sheet. Gains/losses arising from the remeasurement of derivatives are used for hedging purposes as follows. Changes in value pertaining to cash flow hedging are recognised in other comprehensive income and entered in profit or loss at the pace at which the hedged cash flow impacts profit or loss. Any ineffective component is recognised directly in profit or loss. Gains/losses arising from the remeasurement of derivatives intended

Financial instruments by category

	Loan receivables and accounts receivable	Assets at fair value through profit or loss	Derivative instruments used for hedging purposes	Financial assets held for sale	Total
31 December 2013					
Assets in the balance sheet					
Derivative instruments	-	-	-	-	-
Accounts receivable and other receivables excluding interim receivables	119,407	-	-	-	119,407
Cash and cash equivalents	163,591	-	-	-	163,591
	282,998	**-**	**-**	**-**	**282,998**
31 December 2012					
Assets in the balance sheet					
Derivative instruments	-	-	1,409	-	1,409
Accounts receivable and other receivables excluding interim receivables	116,751	-	-	-	116,751
Cash and cash equivalents	146,747	-	-	-	146,747
	263,498	**-**	**1,409**	**-**	**264,907**

	Liabilities measured at fair value through profit and loss	Derivative instruments used for hedging purposes	Other financial liabilities	Total
31 December 2013				
Liabilities in the balance sheet				
Derivative instruments	109	-	-	109
Accounts payable and other liabilities excluding financial liabilities	-	-	19 377	19 377
	109	-	**19 377**	**19 486**
31 December 2012				
Liabilities in the balance sheet				
Accounts payable and other liabilities excluding financial liabilities	-	-	30 031	30 031
	-	-	**30 031**	**30 031**

as fair value hedges are recognised in profit or loss together with changes in the fair value of the receivable or liability that is exposed to the hedged risk. To qualify for hedge accounting, certain documentation is required concerning the hedged instrument and its relationship to the hedged item. The Group also documents objectives and strategies for risk management and hedging measures together with an assessment of how effective the hedging relationship is in terms of evening out changes in fair value or cash flow for hedged items, both when the hedge is initiated and in continuous recognition.

FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

This category includes financial liabilities that are not held for trading, such as accounts payable and loan liabilities. These are initially recognised at fair value, net, after transaction costs and subsequently at amortised cost, applying the effective-interest-rate method.

Accounts payable

The measurement policy used for accounts payable is accrued cost. Since the expected maturity of accounts payable is short, such liabilities are recognised at a nominal amount without discounting.

Intangible assets

GOODWILL

Goodwill represents the difference between the cost of an acquired business operation and the fair value of the acquired assets, assumed liabilities and contingent liabilities. Goodwill is measured at cost less any accumulated impairment. Goodwill is distributed to cash-generating units and is impairment tested at least annually.

RESEARCH AND DEVELOPMENT

Research expenses aimed at obtaining new scientific or technical knowledge are recognised as an expense when they arise. Development expenditure, where the research results are aimed at achieving new or improved products or processes, is recognised as an asset in the balance sheet when the following criteria have been fulfilled:

- it is technically feasible to complete the asset
- the company intends to complete the asset and use or sell it
- the company has sufficient resources to complete development
- the asset is expected to generate future financial benefits
- it is possible to reliably calculate the expenditure required to complete the asset.

The carrying amount includes expenditure for materials, direct costs for salaries and indirect costs attributable to the asset in a reasonable and consistent manner. Other development costs are recognised as expenses in profit or loss when they arise. The development expenditure recognised in the balance sheet is booked at cost, less accumulated amortisation and impairment losses.

OTHER INTANGIBLE ASSETS

These consist mainly of software, trademarks, licenses and contractual customer relations arising through business combinations. The assets are recognised at fair value on the acquisition date less accumulated amortisation.

AMORTISATION POLICIES

Amortisation is recognised straight-line in profit and loss over the estimated useful life of the intangible assets, assuming that useful life is not indeterminable. Goodwill is impairment tested on a quarterly basis or as soon as there are indications that the asset in question has declined in value. Amortisable intangible assets are amortised as of the date on which they become available for use. The estimated useful life of capitalised development expenditure is between three and five years. Acquired trademarks and licenses are amortised over five years, while acquired contractual customer relations are amortised over three years.

Property and equipment

OWNED ASSETS

Property and equipment are recognised as assets in the balance sheet when it is probable that the future economic benefits associated with the holding will accrue to the company and that the cost of the asset can be calculated in a reliable manner. Property and equipment are recognised at cost in the Group less accumulated depreciation and any impairment losses. Cost includes the purchase price and expenses directly attributable to bringing the asset to where it belongs and in the condition required for it to be used in accordance with the aim of the purchase. Examples of directly attributable expenses included in cost are expenses for delivery and handling, installation, consultancy services and legal services.

LEASED ASSETS

IAS 17 is applied in respect of leased assets. Leasing is classified in the consolidated financial statements either as financial leasing or operational leasing. Leases signed are, with no significant exceptions, operational in nature and relate mainly to cars and rent for premises. For operational leases, the leasing fee is expensed across the duration of the lease based on useful life, which can differ from the actual payment made to cover the leasing fee during the year. The cost of leasing is recognised straight line across the useful life.

DEPRECIATION POLICIES

Depreciation is carried out on a straight-line basis over the asset's estimated useful life. The estimated useful life for property and equipment such as equipment, tools and installations is five years. The useful life and residual value of assets are tested annually.

Impairment

The carrying amounts of the Group's assets, with the exception of deferred tax assets and financial assets, are impairment tested at each balance-sheet date. If there is any indication of impairment, the recoverable amount of the asset is calculated. For the excepted assets as stated above, the carrying amounts are tested in accordance with the relevant standard. For goodwill and intangible assets, which are not yet ready for use, the recoverable amount is estimated annually.

If it is not possible to determine essentially independent cash flows for an individual asset, the assets are to be grouped at the lowest level at which it is possible to identify essentially independent cash flows (known as a cash-generating unit). An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds the recoverable amount. Impairment is recognised as an expense in profit or loss. Impairment of assets identified for a cash-generating unit (group of units) is allocated initially to goodwill. Subsequently, proportional impairment of other assets included in the unit (group of units) is implemented.

MEASUREMENT OF THE RECOVERABLE AMOUNT

The recoverable amount is the highest of the fair value less selling expenses and value in use. When calculating the value in use, future cash flow is discounted using a discount rate that takes into account risk-free interest and the risk associated with the specific asset. For an asset that does not generate cash flows that are significantly independent of other assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs.

REVERSAL OF IMPAIRMENT LOSSES

Goodwill impairments are not reversed. Impairment losses on other assets are reversed if a change occurs in the assumptions that formed the basis for the measurement of the recoverable amount. A reversal is only performed to the extent that the asset's carrying amount after reversal does not exceed the carrying amount that would have been recognised, less appropriate depreciation, if no impairment loss had been recognised.

Employee benefits

PENSIONS

Obligations regarding fees for defined-contribution plans are recognised as expenses in profit and loss when they arise. All pension solutions in foreign subsidiaries are classified and recognised as defined-contribution plans, which means that the Group's profit/loss is charged with pension expenses in pace with the vesting of benefits.

Salaried employees in Sweden are covered by the ITP plan, which is recognised as a defined-contribution pension plan. Commitments for retirement pensions and family pensions for salaried employees in Sweden are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board's Emerging Issues Task Force, UFR 3, this is a multi-employer defined-benefit plan. For the 2013 financial year, the company did not have access to the information necessary to support recognition of this plan as a defined-benefit plan, which is why it has been recognised as a defined-contribution plan. This plan is being financed on an ongoing basis through pension insurance policies. Alecta's surplus can be distributed to the policyholders and/or the insured persons. The collective solvency rate consists of the market value of Alecta's assets as a percentage of its insurance obligations, calculated in accordance with Alecta's actuarial accounting assumptions, which do not comply with IAS 19.

SEVERANCE PAY

In conjunction with notice of employment termination, a provision is posted only if the company is contractually obligated to terminate an employment position before the normal time, or when payments are made as an offering to encourage voluntary termination. For cases in which the company implements personnel cutbacks, a detailed plan is prepared that covers at least the workplace concerned, positions, and the approximate number of affected employees and disbursements for every personnel category or position, as well as a time schedule for the plan's implementation.

REMUNERATION OF SENIOR EXECUTIVES

The guidelines for remuneration of senior executives are adopted by the Annual General Meeting. For the Group's Executive Management Team, salaries and other employment conditions are applied based on market conditions. In addition to fixed annual salaries, members of the Group's Executive Management Team receive variable remuneration based on the profit trend in relation to pre-set targets. Remuneration of certain senior executives within the Enea Group can also be paid in the form of share-based remuneration.

SHARE-BASED REMUNERATION

The Group has an outstanding share-saving plan from which payments are made in the form of shares, with the company receiving services from employees as payment for the Group's equity instruments (shares). The fair value of the service that provides the employees with entitlement to an allotment of equity instruments is expensed over the vesting period. The share-saving plan is measured using conventional models. For more information about the share-saving plan, also refer to Note 21.

Provisions

A provision is recognised in the balance sheet when the Group has an existing legal or informal commitment resulting from an event that has occurred, it is probable that an outflow of resources will be required to settle the commitment and the amount concerned can be reliably estimated. If the effect of when payment is made is significant, the provision is measured by means of the discounting of the anticipated future cash flow at a pre-tax interest rate that reflects current market assessments of the time value of the monies involved and, where applicable, the risks associated with the liability.

RESTRUCTURING

A provision for restructuring is recognised when the Group has established a detailed and formal restructuring plan, and restructuring has either been started or announced publicly. No provisions are made for future operating expenses.

ONEROUS CONTRACTS

A provision for a future onerous contract is recognised when the expected benefits that the Group is expecting to obtain from a contract are lower than the unavoidable costs for fulfilling the terms of the contract.

Taxes

Income taxes comprise current tax and deferred tax. Income tax is recognised in profit and loss, except when the underlying transaction is recognised directly against equity, in which case the related tax effect is recognised in equity. Current tax is tax to be paid or recovered for the current year using the tax rates already enacted or substantially enacted at the balance-sheet date, including adjustments of current tax attributable to earlier periods.

Deferred tax is calculated in accordance with the balance-sheet method, based on temporary differences between carrying amounts and tax bases of assets and liabilities. The following temporary differences are not taken into account: temporary differences arising upon initial recognition of goodwill; initial recognition of assets and liabilities that are not business combinations and which at the time of the transaction did not affect either recognised or taxable gains. Temporary differences attributable to participations in subsidiaries that are not expected to be reversed in the foreseeable future are not taken into account. Measurement of deferred tax is based on how the carrying amount of underlying assets or liabilities is expected to be recovered or settled. Deferred tax is calculated using the tax rates and regulations enacted or substantially enacted at the balance-sheet date.

Deferred tax assets pertaining to deductible temporary differences and tax loss carryforwards are only recognised insofar as they are likely to be utilised in the future. The value of deferred tax assets is reduced when it is no longer probable that the assets can be utilised. Any additional income tax relating to dividends is recognised at the same date as the dividend is recognised as a liability.

Financial risks

The greatest financial risk is the exchange-rate risk. Enea has a financial policy established by the Board, which forms a framework of guidelines for managing financial risks. A detailed description of the financial risks is presented in the Board of Directors' Report.

Earnings per share

The calculation of earnings per share is based on consolidated profit for the year attributable to the Parent Company's shareholders and on the weighted average number of shares outstanding during the year. In calculating earnings per share after dilution, earnings and the average number of shares are adjusted to take into account the diluting effects of potential common shares, which arise during reported periods from convertible debentures and warrants issued to employees. Dilution occurs only when the share price is lower than the stock exchange price. The share price is adjusted by means of a supplement for the value of future services linked to an equity-settled stock option plan recognised as share-based payments in accordance with IFRS 2.

Contingent liabilities

A contingent liability is recognised when there is a possible commitment deriving from events that have occurred whose existence can only be confirmed if one or more uncertain future event occurs or when there is a commitment that has not been recognised as a liability or entered as a provision because it is not certain that an outflow of resources will be required.

Parent company's accounting policies

The Parent Company has prepared its annual accounts in accordance with the Annual Accounts Act (1995:1554) and the Swedish Financial Accounting Standards Council's recommendation RFR 2 Accounting for legal entities. According to RFR 2, the Parent Company, as the legal entity, must apply all of the EU-approved IFRS and statements insofar as this is possible within the framework of the Annual Accounts Act and taking into account the correlation between accounting and taxation. The recommendation indicates the exceptions and supplements that are to be made compared with IFRS. The differences between the Group's and Parent Company's accounting policies are described below.

DIFFERENCES BETWEEN THE GROUP'S AND PARENT COMPANY'S ACCOUNTING POLICIES

The differences between the Group's and Parent Company's accounting policies are described below. The accounting policies stated below for the Parent Company were applied consistently in all periods presented in the Parent Company's financial statements.

SUBSIDIARIES

Participations in subsidiaries are recognised in the Parent Company in accordance with the cost method. Dividends received are only recognised as income if they are derived from profits earned after acquisition. Dividends in excess of such earnings are regarded as repayment of the investment and reduce the carrying amount of the participating interest.

DIVIDENDS

Dividends to the Parent Company's shareholders are recognised as liabilities in the consolidated financial statements for the period in which the dividend is approved by the Parent Company's shareholders. Anticipated dividends from subsidiaries are recognised if the Parent Company has sole entitlement to decide on the size of the dividend and the Parent Company has made a decision on the size of the dividend before the Parent Company has published its financial statements.

TAXES

The Parent Company recognises untaxed reserves including deferred tax liabilities. In the consolidated financial statements, however, untaxed reserves are divided into deferred tax liabilities and equity.

GROUP AND SHAREHOLDER CONTRIBUTIONS FOR LEGAL ENTITIES

Shareholder contributions are entered directly in the shareholders' equity of the recipient and are capitalised in shares and participations by the donor, to the extent that impairment is not required. Due to the correlation between recognition and taxation, Group contributions paid by the Parent Company to subsidiaries are recognised as a financial cost in profit or loss. Group contributions received from subsidiaries are recognised as financial income. The tax effect is recognised in accordance with IAS 12.

NOTE 2

OPERATING SEGMENT REPORTING

Operating segments are recognised in accordance with how financial information is presented internally to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of segments. In the Group, this function has been identified as the CEO and Enea recognises the entire operation as one segment.

SALES BY TYPE OF INCOME

	2013	2012
Time-limited development licenses including support and maintenance	139,329	138,969
Non-time limited development licenses	7,700	25,842
Production licenses (Royalties)	141,005	139,894
Services	111,283	143,771
Other	9,201	19,330
	408,518	**467,806**

SALES BY PRODUCT GROUP

	2013	2012
RTOS including Tools	252,436	270,627
Middleware	29,960	34,756
Services	111,283	143,771
Other	14,839	18,652
	408,518	**467,806**

SALES BY GEOGRAPHY

	2013	2012
Sweden	192,460	221,900
North America	112,392	140,461
Rest of Europe and Asia	103,666	105,445
	408,518	**467,806**

FIXED ASSETS BY GEOGRAPHY

	2013	2012
Sweden	73,731	76,406
North America	28,038	28,200
Rest of Europe and Asia	29,835	30,551
	131,604	**135,157**

Enea has a few major customers that account for a large portion of the company's sales. Two of the company's customers each account for 10 percent or more of the company's sales, with a share of 43 percent (42) and 15 percent (12), respectively, of the company's sales.

NOTE 3

EXCHANGE-RATE GAINS AND LOSSES

	2013	2012
GROUP		
Exchange-rate gains on operating receivables/liabilities	2,617	5,664
Exchange-rate losses on operating receivables/liabilities	-2,871	-4,534

	2013	2012
PARENT COMPANY		
Exchange-rate gains on operating receivables/liabilities	-	2
Exchange-rate losses on operating receivables/liabilities	-1	-1

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NOTE 4

EMPLOYEES AND OTHER SENIOR EXECUTIVES

	2013		2012	
Average number of employees	**Total**	**of whom men, %**	**Total**	**of whom men, %**
Parent Company	13	59	12	68
Subsidiaries	371	79	405	80
Group total	**384**	**78**	**417**	**79**
Of which:				
Sweden	97	79	101	81
USA	52	77	64	81
Romania	209	77	202	77
China	9	71	30	82
Japan	4	100	4	100
France	5	83	7	85
Germany	4	75	4	75
United Kingdom	5	100	5	100
Group total	**384**	**78**	**417**	**79**
Gender distribution in Group management				
Board of Directors	6	83	6	83
Other senior executives	7	86	8	75

Salaries, other remuneration and social security costs	**2013**	**2012**
GROUP		
Salaries and remuneration	174,580	191,834
of which to the Board, CEO and other senior executives 1)	21,304	25,345
Pension expenses 2)	14,490	16,455
of which defined-benefit pension plans	-	-
of which defined-contribution pension plans	14,490	16,455
Other social security costs	41,670	42,170
Total	**230,740**	**250,459**
Salaries, other remuneration and social security costs	**2013**	**2012**
PARENT COMPANY		
Salaries and remuneration	16,072	17,396
of which to the Board, CEO and other senior executives 3)	9,611	11,604
Pension expenses 4)	2,952	3,212
of which defined-benefit pension plans	-	-
of which defined-contribution pension plans	2,952	3,212
Other social security costs	5,358	4,923
Total	**24,382**	**25,531**

1) Of the Group's salaries and remuneration, SEK 2,539,000 (1,939,000) pertains to variable remuneration to the group comprising the Board of Directors and the CEO (including the President and Boards of subsidiaries).
2) Of the Group's pension expenses, SEK 1,470,000 (1,738,000) pertains to the group comprising the Board and CEO.
3) Of the Parent Company's salaries and remuneration, SEK 433,000 (425,000) pertains to variable remuneration for the group comprising the Board and CEO.
4) Of the Parent Company's pension expenses, SEK 1,042,000 (1,024,000) pertains to the group comprising the Board and CEO.

In accordance with the resolution by the Annual General Meeting, Board members appointed by the AGM who are not employed by the company received the following remuneration in 2013.

	Board fees	Fees for the Audit Committee	Fees for the Remuneration Committee	Extraordinary initiatives	Total
Anders Skarin (Chairman)	420	-	40	-	460
Kjell Duveblad	200	-	20	-	220
Åsa Landén Ericsson	200	60	-	-	260
Mats Lindoff	200	-	-	-	200
Robert W Andersson	200	30	-	-	230
Torbjörn Nilsson	200	30	-	-	230
Total 2013	**1,420**	**120**	**60**	**-**	**1,600**
Total 2012	**1,280**	**120**	**60**	**-**	**1,460**

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Cont. Note 4

Summary of remuneration and other benefits during the year

	Fixed salary	Variable remuneration	Other benefits	Other remuneration	Severance pay	Total	Pension cost
Anders Lidbeck, CEO	3,122	433	-	-	-	3,555	1,042
Other senior executives (6)	7,443	1,804	1,313	-	-	10,560	1,798
Total 2013	**10,565**	**2,237**	**1,313**	**-**	**-**	**14,115**	**2,840**
Total 2012	**11,282**	**3,921**	**348**	**1,260**	**1,507**	**18,318**	**4,564**

During 2013, the Other senior executives category comprised six individuals. In 2012, the number of individuals in the Other senior executives category varied from ten at the beginning of the year to seven at the end of 2012.

REMUNERATION OF SENIOR EXECUTIVES

Policies

The Chairman of the Board and Board members receive remuneration in accordance with the Annual General Meeting resolution. Employee representatives do not receive Board fees. Remuneration of the CEO is decided by the Chairman of the Board and Board members appointed by the Annual General Meeting following a proposal by the Remuneration Committee. The guidelines for remuneration of senior executives are adopted by the Annual General Meeting. For Group management, market-based terms and conditions are applied to salaries and other employment terms. In addition to fixed annual salaries, Group management also receives variable salary. The variable salary is based on earnings performance compared with set targets and is capped at amounts fixed annually on an individual basis.

Remuneration of certain senior executives within the Enea Group can also be paid in the form of share-based remuneration. For more information, see Note 21.

Pension agreements

Other senior executives in Sweden have pension agreements within the framework of the ITP scheme, with a pensionable age of 65 and pension provisions are related to the employee's salary. The ITP plan is essentially a defined benefit plan. The ITP plan is assured through an insurance policy with Alecta. Pension premiums are paid continuously.

Severance pay

Should notice of termination of employment of the CEO be initiated by either the company or the CEO, the term of notice will be six months. In addition, severance pay will be paid corresponding to six months' fixed salary should employment be terminated by the Board. Should the ownership structure change in such a manner that results in a new majority shareholder in the company, the CEO is entitled to severance pay of six months' salary. All termination and severance pay are deducted from any other earned income. For other senior executives, a period of notice of three to 12 months is applied.

NOTE 5

FEES AND REMUNERATION TO AUDITORS

Auditing assignments are defined as examinations of the Annual Report and financial statements, as well as of the administration of the Board of Directors and CEO, other duties that the company's auditors are obliged to conduct and advice or other assistance required due to observations made during such examinations or during the performance of such other duties.
All other work is defined as other assignments.

	2013	2012
GROUP		
PricewaterhouseCoopers		
Auditing assignments	853	806
Audit in addition to the audit assignment	74	50
Tax advice	-	57
Other assignments	207	527
Other auditors		
Auditing assignments	189	273
Tax advice	150	113
Other assignments	340	194
	1,813	**2,020**

	2013	2012
PARENT COMPANY		
PricewaterhouseCoopers		
Auditing assignments	575	726
Audit in addition to the audit assignment	74	50
Tax advice	-	57
Other assignments	207	527
	856	**1,360**

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NOTE 6

OPERATING COSTS DISTRIBUTED BY TYPE

	2013	2012
Consumables and sub consultants	14,457	25,516
Other external costs	51,582	64,479
Personnel costs	242,166	286,790
Depreciation/amortisation and impairment losses	18,197	18,489
	326,402	**395,274**

Depreciation/amortisation and impairment losses for the year is divided between Cost of sold products and services totaling SEK 13.6 million (13.3), Sales and marketing expenses totaling SEK 0.2 million (0.4), Product development costs totaling SEK 1.3 million (1.5) and Administrative costs totaling SEK 3.1 million (3.3).

NOTE 7

LEASING FEES PERTAINING TO OPERATIONAL LEASING

Operating leasing pertains mainly to vehicles and rents for premises.

	2013	2012
GROUP		
Leasing fee, current year	8,879	11,194
Contractual future minimum leasing fee within 1 year	7,502	10,153
Contractual future minimum leasing fee within 2-5 years	19,778	27,520

The Group has no contractual future leasing fee with a term that exceeds five years.

	2013	2012
PARENT COMPANY		
Leasing fee, current year	6,037	7,520
Contractual future minimum leasing fee within 1 year	6,045	6,668
Contractual future minimum leasing fee within 2-5 years	18,835	25,300

The Parent Company has no contractual future leasing fee with a term that exceeds five years.

NOTE 8

NET FINANCIAL ITEMS

	2013	2012
GROUP		
Interest income	1,920	3,521
Exchange-rate gains	5,121	4,569
Financial income	**7,041**	**8,090**
Interest expenses	-159	-64
Exchange-rate losses	-5,192	-3,825
Financial expenses	**-5,351**	**-3,889**
Net financial items	**1,690**	**4,201**

	2013	2012
PARENT COMPANY		
Divestment/liquidation of Group company	-	1,569
Earnings from participations in Group companies	**-**	**1,569**
Interest income, other	1,883	3,299
Interest income, Group companies	1,179	3,583
Exchange-rate gains	266	356
Interest income and similar income items	**3,328**	**7,238**
Interest expenses, other	-153	-63
Interest expenses, Group companies	-156	-
Exchange-rate losses	-311	-231
Interest expenses and similar expense items	**-620**	**-294**
Net financial items	**2,708**	**8,513**

NOTE 9

TAXES

	2013	2012
GROUP		
Current tax expense		
Tax expense for period	-13,362	-16,074
	-13,362	**-16,074**
Deferred tax		
- tax expense in loss carryforwards utilized during the year	-3,207	-3,141
- tax expense/income pertaining to temporary differences	-4,062	-3,659
change in deferred tax due to changed tax rate	-	-230
	-7,269	**-7,030**
Total tax expense recognised, Group	**-20,631**	**-23,104**

Reconciliation of effective tax	2013	2012
GROUP		
Profit/loss before tax	83,806	138,444
Standard tax 22.0% (26.3% in 2012)	-18,437	-36,411
Tax effect of		
- other tax rates in foreign subsidiaries	-1,521	-1,297
- utilisation of previously non-capitalized loss carryforwards	145	-
- taxable loss carryforwards for which no deferred tax assets were recognised	-477	-
- non-deductible costs	-754	-6,299
- non-taxable revenues	506	21,383
- amended future tax rates	-	1,233
Other taxes	408	-475
Adjustment of tax for previous years	-501	-1,221
Total tax expense recognised, Group	**-20,631**	**-23,104**
	25%	17%

	2013	2012
PARENT COMPANY		
Current tax		
Tax for the period	-577	-1,476
	-577	**-1,476**

Reconciliation of effective tax		2012
PARENT COMPANY		
Profit/loss before tax	2,791	6,917
Tax 22.0% (26.3% in 2012)	-614	-1,819
Tax effect of		
- non-deductible costs	17	-54
- non-taxable revenues	-	413
Other taxes	20	-8
Adjustment of tax for previous years	-	-8
Total tax recognized, Parent Company	**-577**	**-1,476**
	21%	21%

Deferred tax assets and liabilities	2013	2012
GROUP		
The following components are included in deferred tax assets and tax liabilities		
Deferred tax assets:		
- tax loss carryforwards	1,529	3,840
- other temporary differences	740	1,837
Total deferred tax assets	**2,269**	**5,677**

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Cont. Note 9

Deferred tax liabilities:		
- temporary differences	10,341	6,625
Total deferred tax liabilities	**10,341**	**6,625**

Deferred tax assets for loss carryforwards pertain to subsidiaries in Germany and Sweden. Management believes that the capitalised loss carryforwards will be utilised within the next few years. Non-capitalised deferred tax assets for unutilised deficits total SEK 9.0 million, of which SEK 0.7 million pertains to the UK and SEK 8.3 million to France.

NOTE 10

INTANGIBLE FIXED ASSETS

2012	Goodwill	Capitalised development costs	Other intangible assets	Total
GROUP				
Accumulated cost				
Opening balance, 1 January 2012	103,328	138,338	23,862	265,528
Acquisition for the year	1,087	10,450	-	11,537
Translation difference for the year	-4,925	-	-673	-5,598
Closing balance as at 31 December 2012	**99,490**	**148,788**	**23,189**	**271,467**
Accumulated amortisation and impairment losses				
Opening balance, 1 January 2012	-18,337	-97,399	-22,629	-138,365
Amortisation and impairment losses	-	-12,219	-750	-12,969
Translation difference for the year	673	-	673	1,346
Closing balance as at 31 December 2012	**-17,664**	**-109,618**	**-22,706**	**-149,988**
Carrying amount as at 31 December 2012	**81,826**	**39,170**	**483**	**121,479**

2013	Goodwill	Capitalised development costs	Other intangible assets	Total
GROUP				
Accumulated cost				
Opening balance, 1 January 2013	99,490	148,788	23,189	271,467
Acquisition for the year	-	12,554	-	12,554
Translation difference for the year	1,409	-	628	2,037
Closing balance as at 31 December 2013	**100,899**	**161,342**	**23,817**	**286,058**
Accumulated amortisation and impairment losses				
Opening balance, 1 January 2013	-17,664	-109,618	-22,706	-149,988
Amortisation and impairment losses	-	-12,615	-431	-13,046
Translation difference for the year	-669	-	-628	-1 297
Closing balance as at 31 December 2013	**-18,333**	**-122,233**	**-23,765**	**-164,331**
Carrying amount as at 31 December 2013	**82,566**	**39,109**	**52**	**121,727**

Cont. Note 10

Other intangible assets	2013	2012
PARENT COMPANY		
Accumulated cost		
Opening balance, 1 January	6,260	6,260
Closing balance as at 31 December	**6,260**	**6,260**
Opening balance, 1 January	-5,777	-5,027
Amortization for the year	-431	-750
Closing balance as at 31 December	**-6,208**	**-5,777**
Carrying amount as at 31 December	**52**	**483**

Capitalized development costs within Enea pertain primarily to internal work on the development of new products. The amortisation term for capitalised development costs is five years and for other intangible assets three to five years. The remaining amortisation term for intangible assets amounts to two to five years.

IMPAIRMENT TESTING FOR GOODWILL

The Group's measurement is based on a cash-generating unit. The impairment tests are based on calculations of the value in use. The calculations are based on the value of the estimated future cash flows on financial forecasts over a five-year period. Cash flows beyond the five-year period have been forecast using a growth rate of 2 (2) percent. Enea has conducted a sensitivity analysis of key assumptions and found that no reasonable changes to these assumptions will result in any impairment as at 31 December 2013. The cash flows forecast were based on an annual income growth for the Group of 4 percent (2-4) percent, based on the estimated growth in existing customers and in the underlying market. The cost trend for the Group has been forecast at 3 percent (3). The present value of the forecast cash flows has been calculated using a discount interest rate of 15 percent (15) before tax. The discount rate is deemed to exceed the yield requirement of the market. Key assumptions for impairment testing are described in the following table:

VARIABLE		ASSUMPTION
Income growth	4 %	(2-6 %)
Cost trend	3 %	(3%)
Discount interest rate	15%	(15%)
Long-term stable growth	2 %	(2%)

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NOTE 11

EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	Group		Parent Company	
	2013	**2012**	**2013**	**2012**
Accumulated cost				
At the beginning of the year	59,030	61,830	17,590	20,423
Acquisition for the year	1,723	4,676	781	1,689
Divestment/scrapping	-5,118	-6,091	-668	-4,522
Translation reserve for the year	203	-1,385	-	-
	55,838	**59,030**	**17,703**	**17,590**
Accumulated depreciation and impairment losses				
At the beginning of the year	-45,352	-46,968	-12,266	-14,461
Divestment/scrapping	4,943	5,991	493	4,485
Depreciation and impairment losses for the year	-5,417	-5,520	-2,006	-2,290
Translation reserve for the year	-135	1,145	-	-
	-45,961	**-45,352**	**-13,779**	**-12,266**
Carrying amount at the end of the year	**9,877**	**13,678**	**3,924**	**5,324**

Depreciation is attributable to Cost of sold products and services, Sales and marketing expenses, Production development expenses and Administrative expenses.

NOTE 12

ACCOUNTS RECEIVABLE

Accounts receivable not due pertain to customers with favourable payment capacity and history. Accounts receivable with an existing impairment requirement correspond to the provision made for doubtful accounts receivable. Reserves for doubtful accounts receivable amounted to SEK 0 million (0.8). The fair value of accounts receivable corresponds to the carrying amount. Accounts receivable are predominantly denominated in SEK, EUR and USD.
Age distribution of accounts receivable is stated below:

Age analysis of accounts receivable	**2013**	**2012**
GROUP		
Not due	74,675	78,675
Due 1-60 days	29,056	33,262
Due 61-90 days	936	78
Due 90 days	282	144
Total	**104,949**	**112,159**

NOTE 13

PREPAID EXPENSES AND ACCRUED INCOME

	2013	**2012**
GROUP		
Prepaid insurance	223	338
Prepaid rents	2,068	1,696
Accrued income	13,468	15,270
Other prepaid expenses	5,612	7,715
	21,371	**25,019**

	2013	**2012**
PARENT COMPANY		
Prepaid insurance	160	87
Prepaid rents	1,491	1,453
Accrued income	148	534
Other prepaid expenses	3,132	3,746
	4,931	**5,820**

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NOTE 14

DERIVATIVE INSTRUMENTS

	2013		2012	
	Assets	Liabilities	Assets	Liabilities
Long-term				
Currency forwards – cash flow hedging	-	-	-	-
Current				
Currency forwards – cash flow hedging	-	109	1,409	-

NOTE 15

SHAREHOLDERS' EQUITY

GROUP

Share capital

At the 2013 Annual General Meeting, resolution was passed on an automatic redemption process for shares in Enea AB, entailing that each Enea share will be split into two shares (so-called share split 2:1), of which one of the shares will be denominated a redemption share. The redemption shares will be exercised automatically in exchange for SEK 3.00 per redemption share and paid in July 2013. The share capital was then reduced by SEK 9,177,857 through the reduction of the redemption shares, i.e. a total of 17,054,478 shares to repay shareholders. Payment for each redemption share was SEK 3.00. Redemption treasury shares were reduced without any repayment. The share capital was restored to its original amount by increasing the share capital by SEK 9,177,857 through a bonus issue without any issue of new shares.

As at 31 December 2013, the registered share capital comprised 17,054,478 ordinary shares with a quotient value of SEK 1.08 per share. Holders of ordinary shares are entitled to dividends at amounts determined gradually and the shareholdings carry voting rights at the Annual General Meeting with one vote per share. During the year, the company acquired 283,018 company shares (528,018), sold 0 (0) treasury shares and allocated 86,726 treasury shares (0) to employees in connection with the Share-savings program.

Other capital contributions

Refers to shareholders' equity contributed by the owners. This includes share premium reserves transferred to the statutory reserve as at 31 December 2005. Provisions to the share premium reserve from 1 January 2006 onwards are also recognised as contributed capital.

RESERVES

Hedging provision

	2013	2012
Opening hedging reserve	580	1,323
Cash flow hedging		
- fair value gains during the year	-	445
- tax on fair value gains	-	-98
- adjustment of deferred tax on IB, new tax rate for 2013	-	84
- transfers to the income statement	-743	-1,496
- tax on transfers to the income statement	163	329
- adjustment of deferred tax on IB, new tax rate for 2013	-	-7
Closing hedging reserve	-	580

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Cont. Note 15

Translation Reserve

The translation reserve includes all exchange-rate differences that arise when translating net assets from foreign operations that have compiled their financial reports in currencies other than the currency in which the Group's financial reports are presented. The Parent Company and Group present their financial reports in Swedish kronor.

	2013	2012
Opening translation reserve	-27,128	-19,234
Translation difference for the year	1,012	-7,894
Closing translation reserve	-26,116	-27,128

Profit brought forward, including profit/loss for the year

Profit brought forward, including profit/loss for the year, includes earned profits in the Parent Company and its subsidiaries. Earlier provisions for the statutory reserve, excluding transferred share premium reserves, are included in this shareholders' equity item.

Between 11 February and 10 December, 2013, the Parent Company bought back 246,438 shares on NASDAQ OMX Nordic Exchange in Stockholm at an average share price of SEK 48.68 per share. A total of SEK 11,995,000 was paid for the shares, which reduced the profit brought forward. During 2013, 86,726 treasury shares were allotted to employees under the 2010 Share-savings program. The Parent Company also bought back 36,580 shares from employees for SEK 43.56 each. The total holding of treasury shares as at 31 December 2013 was 668,431. The shares are held as treasury shares and were fully paid on 31 December 2013.

PARENT COMPANY

Statutory reserve

The aim of the statutory reserve is to save a portion of any net profit that is not utilized to cover losses brought forward. In accordance with a resolution by the 2013 Annual General Meeting, the entire statutory reserve of SEK 280,610,000 was transferred to the profit brought forward.

NON-RESTRICTED EQUITY

Share premium reserve

When shares are issued at a premium, meaning that a higher amount is to be paid for the shares than their quotient value, an amount corresponding to the amount received in addition to the quotient value of the share is transferred to the share premium reserve.

Earnings brought forward

These consist of the preceding year's non-restricted equity following any statutory reserve provisions and following any distribution of profits. Together with the profit/loss for the year, this constitutes total non-restricted equity, i.e. the amount available for distribution to the shareholders.

See also the Summary of changes in consolidated shareholders' equity and the Summary of changes in the Parent Company's shareholders' equity.

NOTE 16

EARNINGS PER SHARE

	2013	2012
Earnings per share before dilution		
Profit/loss for the year after tax	63,175	115,340
Average number of shares, thousands	16,477	16,844
Earnings per share before dilution, SEK	3.83	6.85
Earnings per share after dilution		
Profit/loss for the year after tax	63,175	115,340
Average number of shares, thousands	16,477	16 844
Earnings per share after dilution, SEK	3.83	6.85

Earnings per share is calculated by dividing earnings for the period attributable to the Parent Company's shareholders by the average number of shares.

The company has no outstanding instruments that may entail dilution effect.

NOTE 17

ACCRUED EXPENSES AND PREPAID INCOME

	2013	2012
GROUP		
Support income	8,694	10,263
Accrued personnel expenses	18,999	29,787
Other	9,305	15,669
	36,998	**55,719**

	2013	2012
PARENT COMPANY		
Accrued personnel expenses	6,615	8,705
Other	2,425	3,353
	9,040	**12,058**

NOTE 18

Parent Company's holdings in Group companies	Country	Holding, %
Enea Software AB	Sweden	100
Enea Zealcore AB	Sweden	100
Enea Software & Services, Inc	USA	100
Enea Netbricks SAS	France	100
Enea Netbricks Ltd	Israel	100
Enea GmbH	Germany	100
Enea Software (Beijing) Co. , Ltd.	China	100
Enea KK	Japan	100
Enea Polyhedra Ltd	UK	100
Enea Romania SRL	Romania	100

	2013	2012
Accumulated cost		
At the beginning of the year	330,630	476,335
Subsidiaries divested	-	-145,705
Closing balance, 31 December	330,630	330,630
Accumulated impairment losses		
At the beginning of the year	-158,596	-158,596
Closing balance, 31 December	-158,596	-158,596
Carrying amount at the end of the year	**172,034**	**172,034**

Specification of the Parent Company's holdings of participations in subsidiaries	Number of participations	Proportion, %	Carrying amount 2013	2012
Subsidiary/Corp. Reg. No./Registered office				
Enea Software AB, 556183-3012, Kista	5,900	100	172,034	172,034
			172,034	**172,034**

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NOTE 19

CASH-FLOW STATEMENT

CASH AND CASH EQUIVALENTS

The subcomponents included in cash and cash equivalents include cash, bank and special deposits or commercial papers that have an insignificant risk of fluctuations in value and can easily be converted into cash and cash equivalents, and which have a maturity of no more than three months from the time of acquisition.

	Group		Parent Company	
Information about interests	**2013**	**2012**	**2013**	**2012**
Interest received during the period amounted to	1,919	3,521	3,062	6,882
Interest paid during the period amounted to	-159	-64	-309	-63

	Group		Parent Company	
Adjustment for items not included in cash flow	**2013**	**2012**	**2013**	**2012**
Depreciation/amortisation and impairment losses	18,463	18,489	2,437	3,040
Gains/losses from divestment and liquidation of subsidiaries	-	-61,304	-	2,326
Gains/losses on scrapping of fixed assets	175	-	175	37
Accrued revenues	-	-13,636	-	-
Share-savings plan	3,418	1,828	3,262	1,828
Appropriations	-	-	291	1,719
Provisions	1,071	-9	-	-
Exchange-rate differences, net	135	-251	-	-
Total	**23,262**	**-54,883**	**6,165**	**8,950**

NOTE 20

RELATED PARTIES

Summary of transactions with related parties

GROUP

Related parties	Year	Sales of goods and services to related parties	Purchase of goods and services from related parties	Supplementary purchase consideration for acquisition of subsidiaries from related parties	Liabilities to related parties on 31 December	Receivables from related parties on 31 December
Key personnel in executive positions	2013				-	-
Key personnel in executive positions	2012	-	1,260	3,656	-	-
Other related parties	2013	-	-	-	-	-
Other related parties	2012	-	-	-	-	-

PARENT COMPANY

Related parties	Year	Sales of goods and services to related parties	Purchase of goods and services from related parties	Supplementary purchase consideration for acquisition of subsidiaries from related parties	Liabilities to related parties on 31 December	Receivables from related parties on 31 December
Subsidiaries	2013	48,399	1,210	-	32,306	2,781
Subsidiaries	2012	52,316	-	-	12,134	67,071
Key personnel in executive positions	2013	-	-	-	-	-
Key personnel in executive positions	2012	-	1,260	-	-	-
Other related parties	2013	-	-	-	-	-
Other related parties	2012	-	-	-	-	-

Transactions with related parties are priced according to market terms.

For information on remuneration of key personnel in executive positions, see Note 4, Employees and personnel expenses, and Note 21, Pensions, share-related remuneration, benefits to senior executives.

The Parent Company has a related-parties relationship with its subsidiaries (see Note 18) and senior executives (see Note 4).

NOTE 21

PENSIONS AND SHARE-BASED REMUNERATION

DEFINED-CONTRIBUTION PLANS

The methods for calculating pension expenses and pension liabilities differ from country to country. Companies report according to local regulations and the reported figures are consolidated in the consolidated annual accounts. All pension solutions in foreign subsidiaries are defined-contribution plans, which means that the Group's profit/loss is charged with pension expenses in pace with the vesting of benefits. Salaried employees in Sweden are covered by the ITP plan, which is reported as a defined-contribution pension plan. Obligations for retirement pension and family pension for salaried employees in Sweden are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board's Emerging Issues Task Force, URA 42, this is a defined-benefit plan that includes several employers. For the 2013 financial year, the company did not have access to the information necessary to support recognition of this plan as a defined-benefit plan, which is why it was recognised as a defined-contribution plan.

This plan is being financed on an ongoing basis through pension insurance policies. Costs paid to Collectum for pension insurance policies for the year amounted to SEK 4,361,000 (4,152,000). The surplus can be distributed to the policy holders and/or the insured.

At the end of 2013, Alecta's surplus in the form of its collective solvency rate amounted to 148 percent (129). The collective solvency rate consists of the market value of Alecta's assets as a percentage of its insurance obligations, calculated in accordance with Alecta's actuarial accounting assumptions, which do not comply with IAS 19.

	Group		Parent Company	
	2013	**2012**	**2013**	**2012**
Cost of defined-contribution plans	14,490	16,455	2,952	3,212

SHARE-BASED REMUNERATION

Share-savings program 2012

In April 2012, the Annual General Meeting resolved to offer key employees the opportunity to participate in a share-savings plan. The principal objective of the program is to enhance the company's ability to retain and recruit key employees and, by means of a personal long-term ownership commitment of the participants, to stimulate increased interest in the operations and profits, to increase motivation, as well as to enhance the sense of kinship with the company.

The program involves 34 senior executives, key individuals and certain other employees.

By 8 June 2012, employees had invested in 65,335 Enea shares ("savings shares"). If the employee retains the shares for three years and remains employed by the Enea Group, an equivalent number of shares ("matching shares") will be allocated. On condition that special performance requirements are met, participants are also entitled to receive, free of charge, additional Enea shares (Performance shares) for each Saving share. The allocation of Performance shares is conditional on special performance requirements linked to the fulfillment of Enea's accumulated EBIT in the years of 2012-2014. The performance requirement for the performance shares is linked to accumulated EBIT in the interval of SEK 180-220 million.

The fair value of the services performed is based on the share price of the Matching shares expected to be allocated. The share price is determined at the time of the participants' investment, adjusted for the dividends that do not accrue to the employee during the vesting period.

The share-savings program entails a financial exposure for the company as a result of changes in Enea's share price and the anticipated allocation of Matching and Performance shares. To secure the program, a decision was made to transfer acquired treasury shares under the program. Transfer to participants in the program, free of charge, may occur of not more than 541,500 shares in the form of Matching shares and Performance shares, including dividend remuneration. Divestment of 126,000 shares may occur in the stock market or to a third party to cover costs for social security expenses and the like.

Share-savings program 2010

In April 2010, the Annual General Meeting resolved to offer key employees the opportunity to participate in a share-savings plan. The principal objective of the program is to enhance the company's ability to retain and recruit key employees and, by means of a personal long-term ownership commitment of the participants, to stimulate increased interest in the operations and profits, to increase motivation, as well as to enhance the sense of kinship with the company. The program involves 17 senior executives and other key individuals.

By 30 June 2010, employees had invested in 96,163 Enea shares ("savings shares"). If the employee retains the shares for three years and remains employed by the Enea Group, an equivalent number of shares ("matching shares") will be allocated. On condition that special performance requirements are met, participants are also entitled to receive, free of charge, not more than three additional Enea shares ("performance shares") per savings share.

The allocation of performance shares is conditional on special performance requirements linked to the fulfillment of Enea's EBIT margin in the years 2010-2012. The performance requirement for the performance shares is linked to EBIT margins in the interval of 11 to 17 percent.

The fair value of the services performed is based on the share price of the Matching shares expected to be allocated. The share price is determined at the time of the participants' investment, adjusted for the dividends that do not accrue to the employee during the vesting period.

The share-savings program entails a financial exposure for the company as a result of changes in Enea's share price and the anticipated allocation of Matching and Performance shares. To secure the program, a decision was made to transfer acquired treasury shares under the program. Transfer to participants in the program, free of charge, may occur of not more than 465,000 shares in the form of Matching shares and Performance shares, including dividend remuneration. Divestment of 150,000 shares may occur in the stock market or to a third party to cover costs for social security expenses and the like.

The share-savings program for 2010 was settled in 2013 and is concluded.

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Cont. Note 21

Share-savings program 2012	2013	2012
Number of matching shares at beginning of period	62,835	-
Allocated during the period	-	65,335
Forfeited during the period	-5,550	-2,500
Outstanding at the end of period	57,285	62,835
Number of participants as at 31 December	30	33

Share-savings program 2010	2013	2012
Number of matching shares at beginning of period	47,863	56,163
Allocated during the period	-43,363	-
Forfeited during the period	-4,500	-8,300
Outstanding at the end of period	-	47,863
Number of participants as at 31 December	-	17

Personnel expenses for share-related remuneration

Group	2013	2012
Share-savings plan	5,415	2,559

NOTE 22

TRANSLATION EXPOSURE

Enea's foreign subsidiaries are translated into Swedish kronor in accordance with the current method. This means that the balance sheet is translated according to the rate on the balance-sheet date and the income statement in accordance with the average rate for the period.

The rates used for the Group's significant currencies are stated in the table below.

	Rate on balance-sheet date		Average rate	
Currency	**2013**	**2012**	**2013**	**2012**
EUR	8,9430	8,6166	8,6494	8,7053
USD	6,5084	6,5156	6,5140	6,7754
GBP	10,7329	10,4914	10,1863	10,7340
JPY	0,0618	0,0756	0,0669	0,0851
RON	1,9955	1,9435	1,9554	1,9523
CNY	1,0732	1,0456	1,0596	1,0738
ILS	1,8573	1,7417	1,8024	1,7550

When translating foreign subsidiaries' balance sheets to Swedish kronor, the Group is exposed to exchange-rate fluctuations. The effect on shareholders' equity in 2013 for the translation of foreign subsidiaries' accounts to Swedish kronor was a positive SEK 1,012,000 (neg: 7,894,000). The Group's exposure in shareholders' equity for exchange-rate fluctuations on the balance-sheet date was as follows:

	2013		2012	
Currency	**Amount**	**Translated into SEK according to rate on balance-sheet date**	**Amount**	**Translated into SEK according to rate on balance-sheet date**
EUR	13	116	-138	-1,189
USD	3,475	22,617	4,424	28,825
GBP	285	3,059	267	2,801
JPY	42,775	2,643	40,396	3,054
RON	8,422	16,806	16,756	32,565
CNY	2,255	2,420	2,846	2,976
ILS	69	128	782	1,362

NOTE 23

IMPORTANT ESTIMATES AND ASSUMPTIONS

Estimates and assumptions, which are evaluated continuously, are based on historical experience and other factors, including expectations of future events that are considered reasonable under the prevailing conditions.

IMPORTANT ASSESSMENTS ON APPLICATION OF THE GROUP'S ACCOUNTING POLICIES

Company management has discussed with the Audit Committee the development, choice and disclosures regarding the Group's most important accounting policies and estimates, and the application of these policies and estimates. These estimates and assumptions mainly include revenue recognition, the valuation of deferred tax assets on loss carryforwards and any impairment requirements. Some important account-related estimates made on application of the Group's accounting policies are described below.

IMPORTANT SOURCES OF UNCERTAINTY IN ESTIMATES

Impairment testing of goodwill

When calculating the recoverable amount of cash-generating units for assessment of any necessary impairment of goodwill, a number of assumptions have been made regarding future conditions and estimates of parameters. Enea has conducted a sensitivity analysis of key assumptions in which management found that no reasonable changes to these assumptions will result in any impairment as at 31 December 2013. An account of these can be found in Note 10.

Impairment testing of capitalised development costs

When calculating the recoverable amount of cash generating units for assessment of any necessary impairment of capitalised development costs, a number of assumptions have been made regarding future conditions and estimates of parameters. Enea has conducted a sensitivity analysis of key assumptions in which management found that no reasonable changes to these assumptions will result in any impairment as at 31 December 2013. An account of these can be found in Note 10.

The Board and CEO certify that the consolidated accounts have been prepared in accordance with the International Financial Reporting Standards, IFRS, as adopted by the EU, and the Annual Accounts Act, and provide a true and fair view of the Group's earnings and position. The Board of Directors' Report for the Group and Parent Company provide a true and fair overview of the Group and Parent Company's development, financial position and earnings and covers significant risks and safety factors concerning the Parent Company and companies within the Group.

Stockholm, March 13, 2014
Enea AB (556209-7146)

Anders Skarin
Chairman of the Board

Robert Andersson
Board member

Kjell Duveblad
Board member

Åsa Landén Ericsson
Board member

Mats Lindoff
Board member

Torbjörn Nilsson
Board member

Eva Swedberg
Employee representative

Anders Lidbeck
President and CEO

The Annual Report and Consolidated Accounts have, as stated above, been approved for issue by the Board on March 13, 2014. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be subject to adoption at the Annual General Meeting on April 24, 2014.

Our Audit Report was issued on March 14, 2014.
Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorized Public Accountant

To the Annual General Meeting of Enea AB (publ.),
Corp. Reg. No 556209-7146

Report on the Annual Report and Consolidated Accounts

We have audited the Annual Report and Consolidated Accounts for Enea AB (publ.) for 2013 with the exception of the Corporate Governance Report on pages 22-25. The company's annual accounts and consolidated financial statements are included in the printed version of this document on pages 8-54.

Responsibilities of the Board of Directors and the CEO for the annual report and consolidated financial statements

The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditors' responsibilities

Our responsibility is to express an opinion on the annual accounts and consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing and with Generally Accepted Auditing Standards in Sweden. These standards require that we adhere to professional codes of conduct, and that we plan and perform the audit to obtain reasonable assurance that the annual report and consolidated financial statements are free of material misstatement.

An audit includes the use of various measures to gather audit evidence supporting amounts and other information in the annual report and consolidated financial statements. The auditor chooses the measures that will be performed, such as by assessing the risks of material misstatement in the annual report and consolidated financial statements, be they due to impropriety or genuine error. In the course of such risk assessments, the auditor observes the components of the internal controls that are relevant to the manner in which the company prepares the annual report and consolidated financial statements to provide a true and fair view with the aim of creating audit procedures that are appropriate with regard to the circumstances, but not for the purpose of expressing an opinion on the efficiency of the company's internal controls. An audit also includes an assessment of the appropriateness of the accounting policies applied and the reasonableness of the material estimations made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual report and the consolidated financial statements.

We believe that the audit evidence we have collected is sufficient and forms a reasonable basis for our opinion set out below.

Opinion

It is our opinion that the annual report was prepared in accordance with the Swedish Annual Accounts Act and provides in all significant regards, a true and fair view of the Parent Company's financial position as of 31 December 2013, and of its financial profit or loss and cash flow for the year in accordance with the Swedish Annual Accounts Act. The consolidated financial statements were prepared in accordance with the Annual Accounts Act and provides in all significant regards, a true and fair view of the Group's financial position as of 31 December 2013, and of its financial profit or loss and cash flow for the year in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. Our statement does not include the Corporate Governance Report on pages 22-25. The Report of the Board of Directors is compatible with the other sections of the annual report and consolidated financial statements.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Report on other legal and statutory requirements

In addition to our audit of the annual accounts and consolidated financial statements, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Enea AB (publ) for the 2013 financial year. We have also carried out a statutory audit of the Corporate Governance Report.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for proposals regarding the allocation of the company's profit or loss, and the Board of Directors and the CEO are responsible for the company's administration in accordance with the Companies Act, as well as the preparation of the Corporate Governance Report on pages 22-25 in accordance with the Annual Accounts Act.

Auditors' responsibilities

Our responsibility is to express a reasonably assured opinion regarding the proposal concerning the allocation of the company's profit or loss, and regarding its administration on the basis of our audit. We have carried out our audit in accordance with good auditing practices in Sweden. As the basis for our opinion regarding the Board of Directors' proposal on the allocation of the company's profit and loss, we have reviewed the Board of Directors' supporting statements and a selection of basis material for this in order to evaluate whether the proposal is compatible with the Companies Act. As the basis for our opinion regarding discharge from liability, we have, in addition to our audit of the annual report and consolidated financial statements, examined significant decisions, measures and relationship in the company in order to determine whether any Board member or the CEO has liabilities to the company. We have also examined whether Board members or the CEO have in any other manner acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have collected is sufficient and forms a reasonable basis for our opinion.

We have read the Corporate Governance Report and, based on this reading and our knowledge of the company and the Group, we believe that we have sufficient grounds for our opinions. This means that our statutory review of the Corporate Governance Report has a different orientation and a significantly more limited scope than the orientation and scope of an audit conducted in accordance with the International Standards on Auditing and generally accepted auditing practices in Sweden.

Opinion

We recommend that the Annual General Meeting allocate the profit in accordance with the proposal in the Report of the Board of Directors and grant the Board of Directors and the CEO discharge from liability for the financial year.

A Corporate Governance Report has been prepared and its statutory content is consistent with the other parts of the annual accounts and consolidated financial statements.

Stockholm, March 14, 2014
Öhrlings PricewaterhouseCoopers AB

Niklas Renström
Authorized Public Accountant

FIVE YEAR SUMMARY*

INCOME STATEMENT , SEK million	2013	2012	2011	2010	2009
Net sales	408.5	467.8	721.5	726.1	777.7
Operating expenses	-326.4	-395.3	-719.0	-658.7	-781.8
Operating profit/loss	82.1	72.5	2.5	67.4	-4.1
Net financial items	1.7	4.2	3.8	0.7	3.3
Profit/loss before tax	83.8	76.7	6.3	68.1	-0.8
Profit/loss for the period	63.2	53.6	-6.4	46.0	4.2
Profit from divested operations 1)	-	61.7	-	-	-
Total	**63.2**	**115.3**	**-6.4**	**46.0**	**4.2**

BALANCE SHEET, SEK MILLION					
Intangible assets	121.7	121.5	127.1	216.7	237.2
Other fixed assets	13.2	48.3	26.4	30.9	46.8
Current receivables	140.8	143.2	147.0	236.6	258.7
Cash and cash equivalents	163.6	146.7	127.3	176.5	153.9
Assets held for sale	-	-	137.3	-	-
Total assets	**439.3**	**459.7**	**565.1**	**660.7**	**696.6**
Shareholders' equity	371.2	367.2	415.9	512.6	516.0
Allocations, long-term liabilities and minority shareholdings	11.6	6.8	3.6	12.7	31.9
Current liabilities	56.5	85.8	90.0	135.4	148.7
Liabilities held for sale	-	-	55.6	-	-
Total shareholders' equity and liabilities	**439.3**	**459.7**	**565.1**	**660.7**	**696.6**

CASH FLOW, SEK MILLION					
From current activities	76.6	80.1	77.2	76.1	70.3
From investing activities	3.7	99.7	-33.0	-19.0	-13.2
From financing activities	-63.1	-157.3	-93.4	-31.7	-21,8
Cash flow for the period	**17.3**	**22.5**	**-49.2**	**25.4**	**35.3**

KEY DATA					
Change in sales, %	-12.7	-35,2	-0,6	-6,6	-15,2
Operating margin, %	20.1	15,5	0,3	9,3	-0,5
Profit margin, %	20.5	16,4	0,9	9,4	-0,1
Return on capital employed, %	24.1	19,2	4,5	13,9	1,7
Return on equity, %	17.1	13,7	2,5	8,9	0,8
Return on total capital, %	19.8	15,7	3,6	10,6	1,3
Interest coverage ratio, multiple	16.7	20,7	7,3	19,5	0,9
Equity ratio, %	84.5	79,9	73,6	77,6	74,1
Liquidity, %	538.9	338,1	304,8	305,1	277,5
Average number of employees	384	417	613	621	666
Net sales per employee	1,063,8	1,121,8	1,177,0	1,169,2	1,167,7
Net asset value per share, SEK	22.65	22.14	24.31	29.55	29.53
Earnings per share, SEK	3.83	6.85	-0.37	2.65	0.24
Dividend per share 2)	3.00	3.00	8.00	5.00	1.50

* *The five year summary shows Enea's figures including capital gain, restructuring costs, impairment losses and other non-recurring items. The figures for 2009-2011 include divested operations.*

1) Comparative figures pertaining to the divestment of Nordic Consulting have been reclassified in accordance with IFRS 5, as well as comments from NASDAQ OMX.

2) Dividend proposed to the 2014 Annual General Meeting.

DEFINITIONS

CAPITAL EMPLOYED
Total assets less non-interest-bearing liabilities including deferred tax liabilities. Average capital employed has been calculated as opening capital employed plus closing capital employed divided by two.

CASH FLOW PER SHARE FROM OPERATING ACTIVITIES
Cash flow from operating activities in relation to the average number of shares.

DIRECT YIELD
The dividend as a percentage of the market price at year-end.

DIVIDEND PER SHARE
Dividend for the current financial year divided by the number of shares as per the balance-sheet date.

EARNINGS PER SHARE
Profit after tax in relation to the average number of shares.

EQUITY RATIO
Equity including minority interests in relation to total assets.

INTEREST COVERAGE RATIO
Profit after financial items plus financial costs in relation to financial costs.

LIQUIDITY
Cash and 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 SALES PER EMPLOYEE
Net sales in relation to the average number of employees.

OPERATING MARGIN
Operating profit in relation to net sales.

PROFIT MARGIN
Profit after financial items in relation to net sales.

RETURN ON CAPITAL EMPLOYED
Operating profit 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 costs in relation to average total assets.

SHARE OF RISK-BEARING CAPITAL
Total of shareholders'' equity and deferred tax liabilities as a percentage of total assets.

2014 Annual General Meeting

The Annual General Meeting will be held at 4:30 p.m. CET on 24 April 2014 at Enea's office at Jan Stenbecks Torg 17 in Kista, Sweden. Shareholders who wish to participate in the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden AB (name changed from VPC AB) no later than April 16, 2014.

Participants must also register with Enea AB not later than April 16, 2014, at 5:00 p.m. CET.

Registrations can be posted to

Enea AB (publ), Box 1033, SE-164 21 Kista, by telephone: +46 8 507 140 34, or via e-mail: arsstamma@enea.com. Registrations must include name, personal or corporate registration number, shareholding, address, telephone numbers and details of any assistants.

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Visit Enea's hub for news and information about Enea and other actors in the industry. Follow interesting subjects on our blog, participate in a webinar or read news about the industry.

www.facebook.com/EneaSoftware

Our Facebook page is for those who appreciate technology. Read the most recent information from the embedded world mixed with fun facts and specific events about Enea.

www.twitter.com/EneaAB

Our Twitter account is perfect for those who want to continuously keep tabs on news from Enea. We publish press releases, information about new blog items and activities.

www.youtube.com/EneaSoftware

On YouTube, you can find videos that describe and demonstrate our product range. Short and long features mixed with seminars and training courses.

www.instagram.com/eneaab

On Instagram, you are able to gain insight into daily operations at Enea. Employees around the world publish photographs from trade fairs and customer events, but also from internal meetings and normal office situations.

All financial information is published on the Enea website: **www.enea.com**. Financial reports can also be ordered from Enea AB, Box 1033, SE-164 21 Kista, Sweden or by e-mail: **ir@enea.com**.

Reporting occasions in 2014

Annual General Meeting	24 April 2014
Interim report January–March	29 April 2014
Interim report April-June	22 July 2014
Interim report July–September	23 October 2014
Annual Statement	12 February 2015

IR work

IR work at Enea is characterised by transparent, relevant and accurate information to shareholders, investors and analysts to increase knowledge of the Group's operations and share. Enea announces information in the form of interim reports, annual reports, press releases, and provides detailed information on the company's IR pages on the website. Shareholders and other stakeholders can subscribe to the press releases and financial reports via e-mail.

During 2013, press releases were issued for major product news, strategically key transactions, as well as major agreements. General information are updated on the IR pages on the website, such as shareholder lists in connection with the end of quarter periods. In the event of major changes, the website is immediately updated.

In the three last weeks following the publication of a financial report, no communication with the financial market occurs.

Enea AB is a public limited company. Corp. Reg. No.: 556209-7146. Registered office is in Kista, Sweden. This Annual Report is also available in English.
All values are denominated in Swedish kronor. Swedish kronor is abbreviated SEK, thousands of SEK is TSEK and millions of SEK is SEK million.
Figures in parentheses pertain to 2012 unless otherwise stated. All figures pertain to continuing operations unless otherwise stated.
Data about the market and competition situation is Enea's internal assessments, unless a specific source was stated. These assessments are based on the best and most recent available facts.
Revised annual accounts include pages 8-21 and 26-53.

This annual report was produced by Enea in cooperation with Grayling in Malmö.
Photographer: Alexander Ruas and Patrik Engström.

Enea provides products and services for companies that develop communication-intensive products. Enea's operating system is the cornerstone of the company's product portfolio and is sold as part of customised solutions for the major global telecom companies.

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