

**ENEA**



# Enea

## Quarter 1 Report 2005

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President & CEO

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## Enea in Brief

- **Global software company with local consulting**
- **Specialist in telecom**
- **Customer value through reliable, safe and stable software**
- **Approx. 500 employees**
- **Real time operating systems from Enea found in cell phones, base stations and other equipment from major telecom vendors worldwide**



## Q1 2005 in Brief

- **Net sales increased by 24 % to SEK 170 (137) million**
- **Profit after tax increased to SEK 17 (-20) million**
- **Software sales increased by 77 % to SEK 55 (31) million**
- **Cash flow increased to SEK 14 (9) million**
- **License agreement signed with Nokia Mobile Phones**
- **Acquisition of technology for telecom infrastructure**

# Our Vision

- **World leader in terms of market share and profitability in selected segments**
- **Customer's first choice for complete and integrated embedded solutions with the highest customer value**
- **The most attractive employer for the industry's leading experts**

# Enea's Business Concept

**Enea secures our clients' success by**

- **providing complete embedded solutions**
- **the OSE family of software**
- **related professional services**
- **and third party products**

**Enea software is primarily sold on royalty-based license model.**



# Enea Embedded



## OSE makes your software device run

- **Faster**
- **More efficient**
- **At a lower cost**

## OSE enables customers to achieve

- **Shorter time-to-market**
- **Lower costs for development and Bill of Material costs**
- **High performance and reliability**



# Other Market Segments





# Some of Enea's Clients:

Top 5:



# Intensified market orientation

- **Broaden base within telecom**
- **Strengthen sales and market organisation**
- **Increase sales reach in China**
- **Increase penetration within medtech and automotive**
- **Broaden offering through third party products**



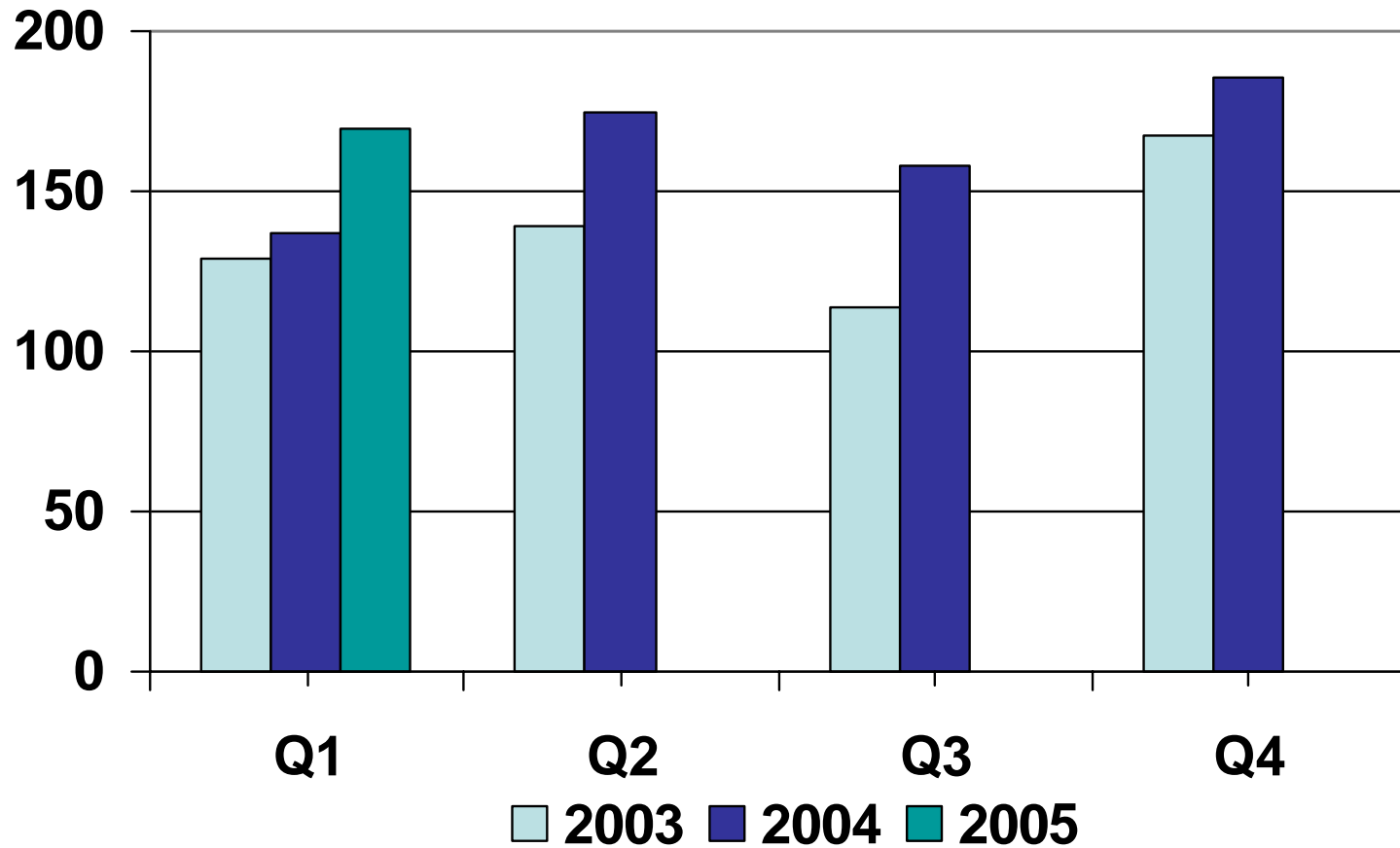
# New Product – high availability platform

- **Integrates with OSE and gives access to standard functions**
- **A framework for high-availability applications development**
- **Developed primarily for customers within telecom and IT**
- **Compatible with systems other than OSE, like Linux**
- **Based on software IPR acquired in Q1**



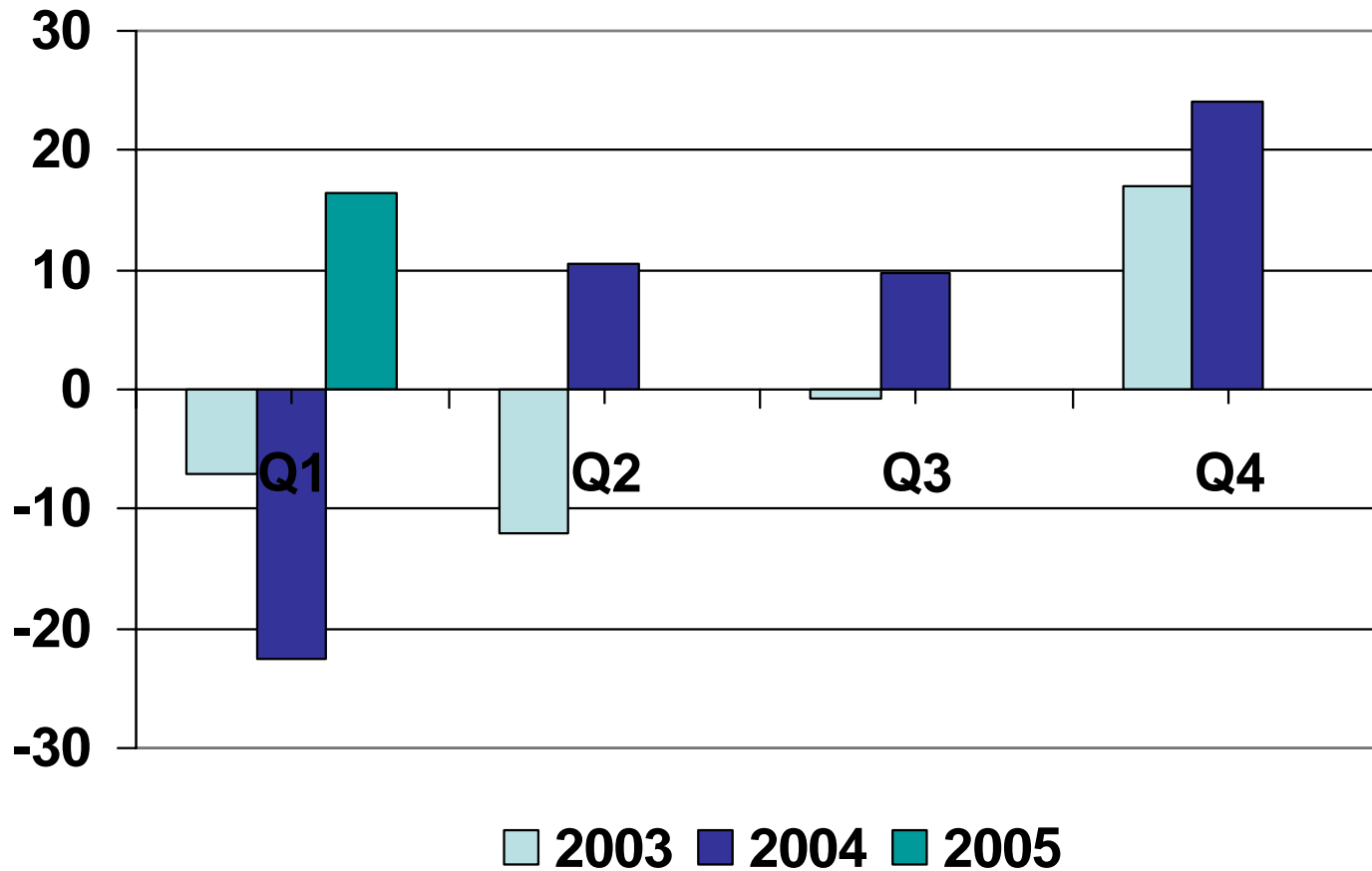
# Net Sales Enea Group

SEK million



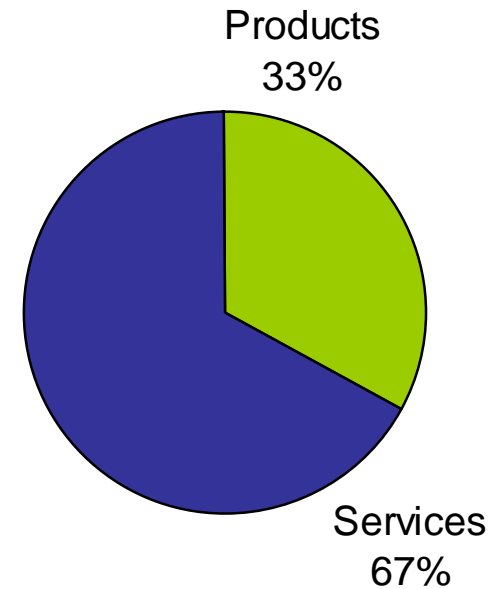
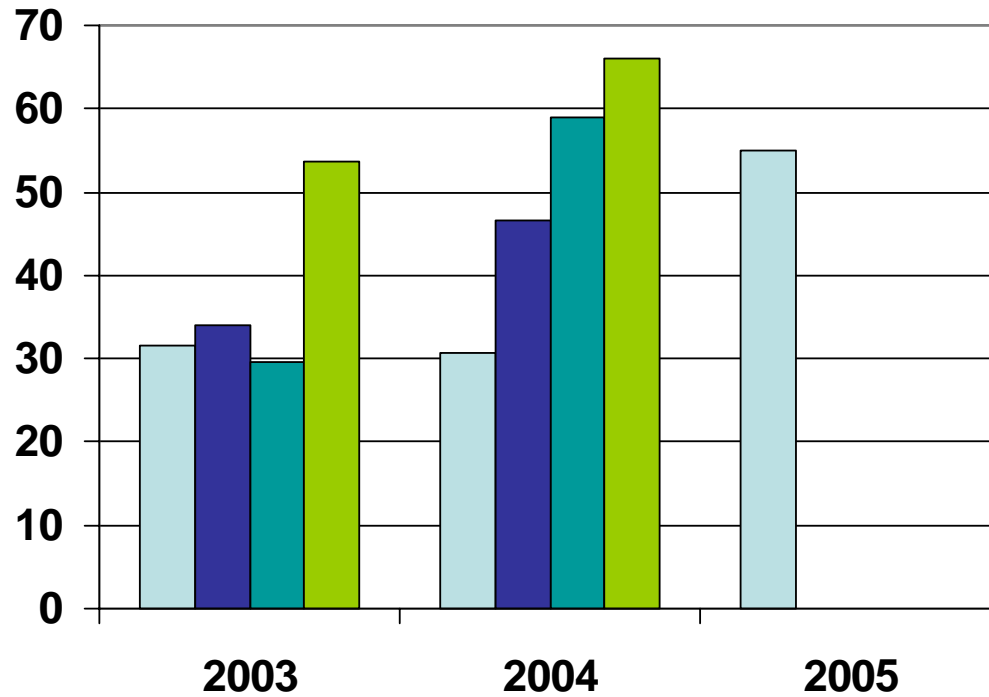
# EBIT Enea Group

SEK million



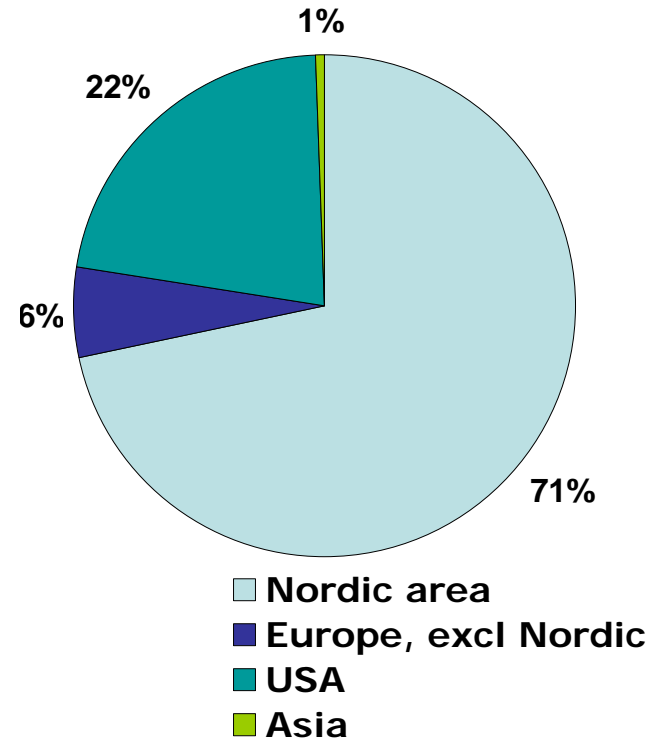
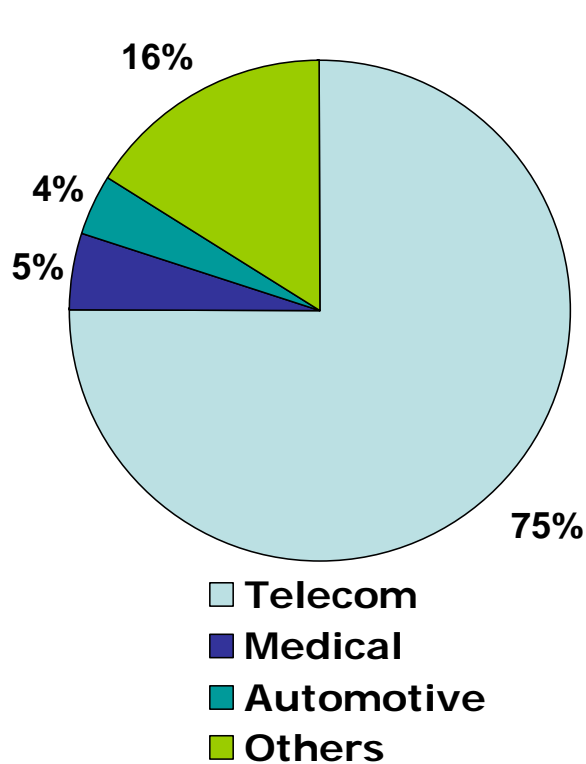
# Software Sales

SEK million



**Repositioning into a software company.  
Operational target 50 % software**

# Sales per segment and market Q1 2005

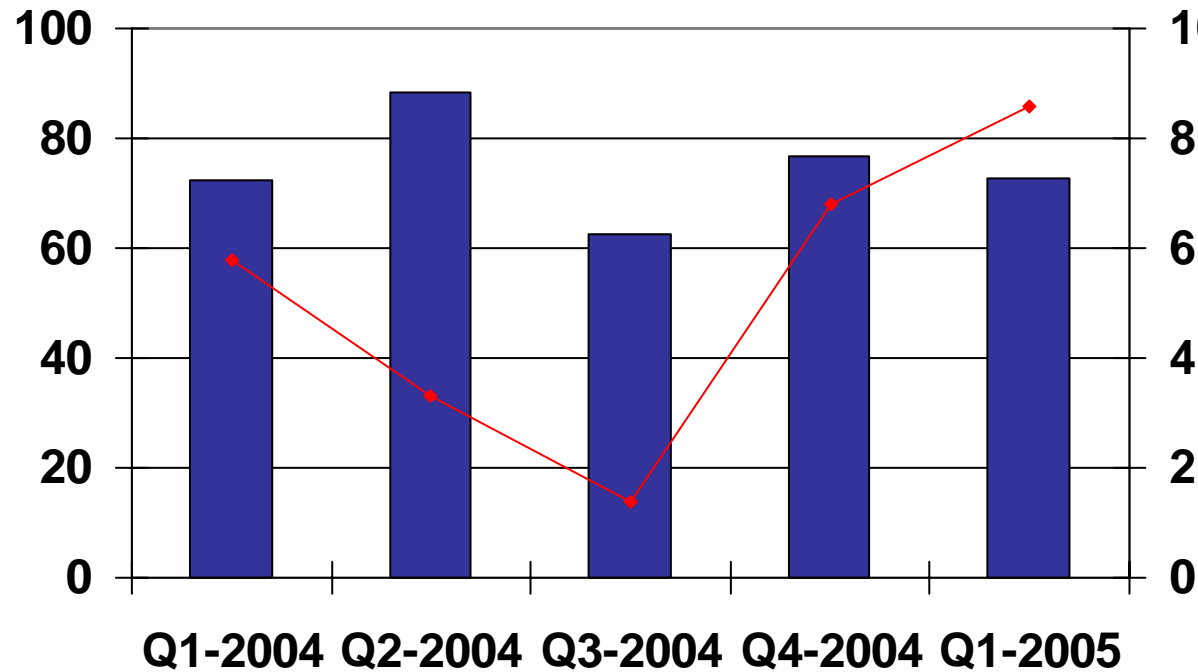


- **Ericsson largest customer, > 50% of total sales**

# Enea Systems

SEK million

SEK million

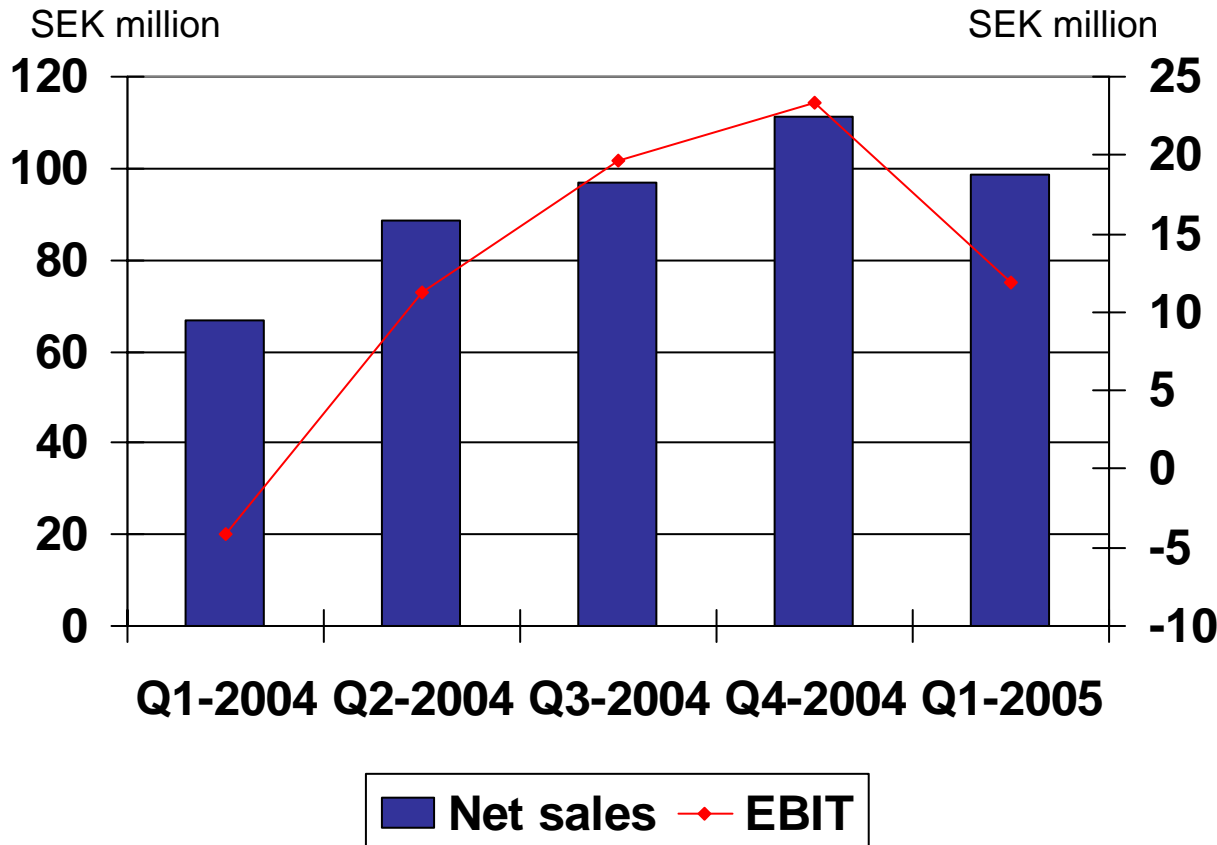


**Enea Systems provides consulting services in Sweden**





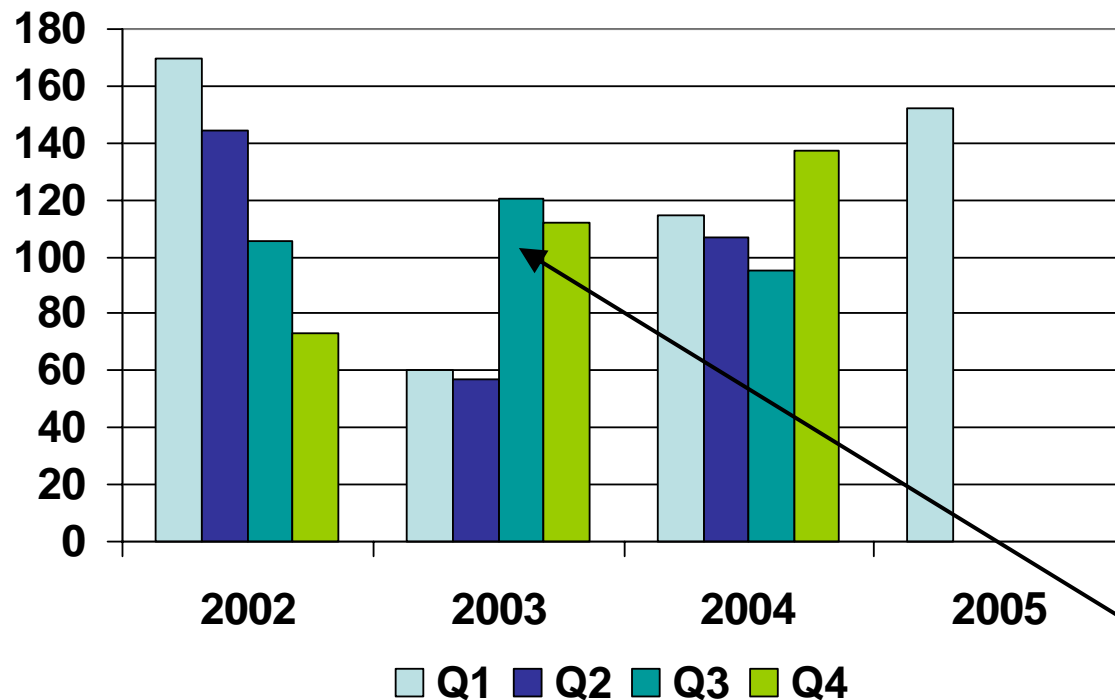
# Enea Embedded Technology



**Enea Embedded Technology provides OSE software worldwide and related professional services in Sweden and in USA**

# Cash Position

SEK million



**March 2005:**

Cash SEK 152 million

Equity SEK 282 million

Equity/assets ratio 60 %

Intangible assets SEK 106 million

Equity Issue SEK 81 million

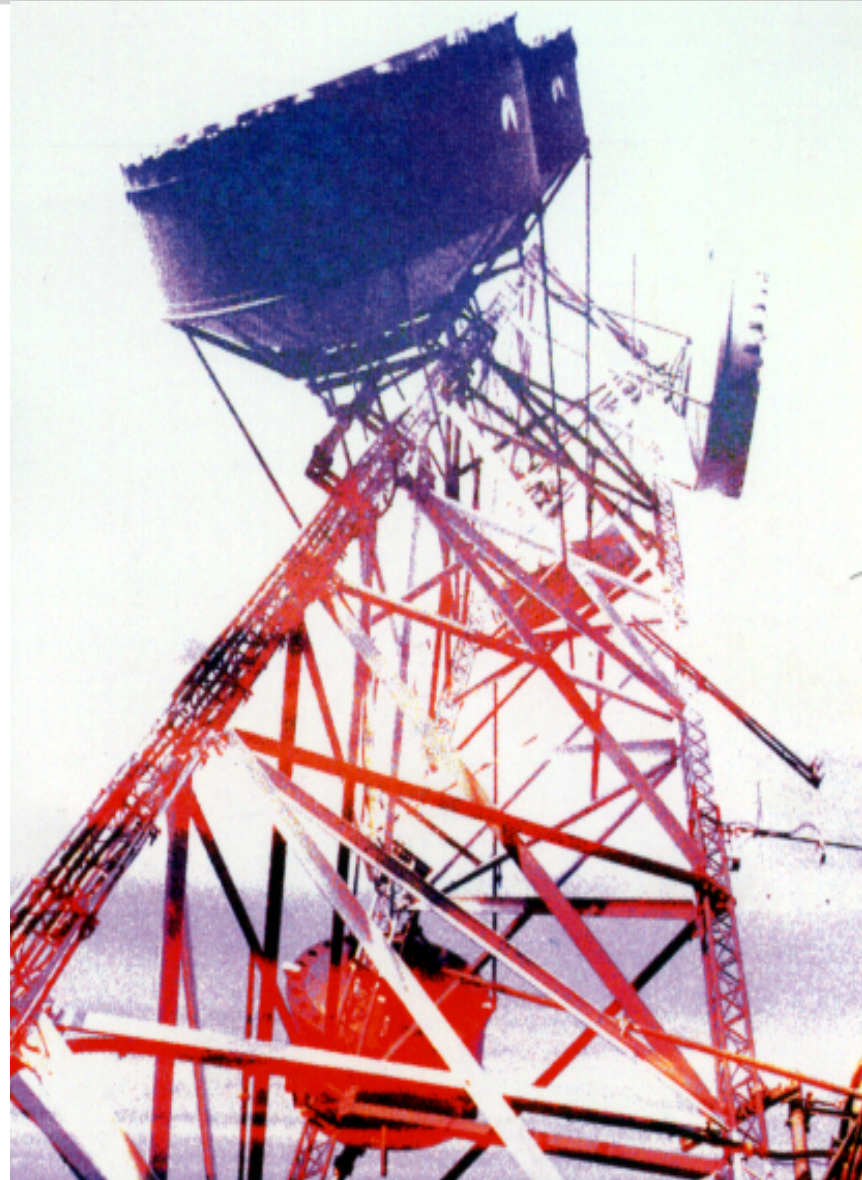
- **Solid Financials**

# Market Growth

**The global market for real time technology is estimated at around USD 1 billion, one third telecom**

**Underlying growth is estimated at 15% annually**

Source: Venture Development Corporation, [www.vdc-corp.com](http://www.vdc-corp.com)



# Market and Competitors

## Real Time Operating Systems

- Wind River
- Green Hills
- Mentor Graphics, Accelerated Tech
- MontaVista
- QNX

## Other Operating Systems

- Symbian, OMTP, Microsoft CE, Linux

## Inhouse Developed Systems

- Equipment and chip-set vendors



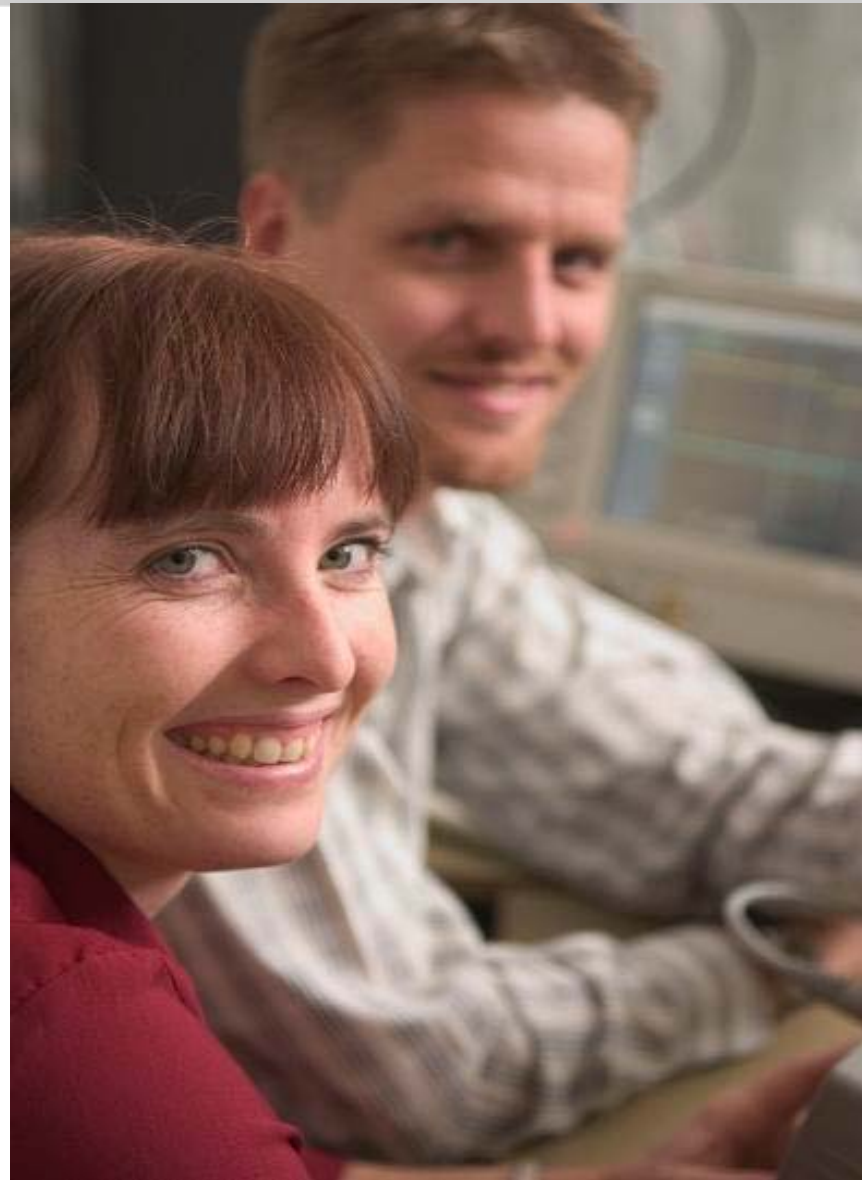
# Industry Outlook

## Software

- Fewer suppliers
- Consolidation
- Integrated solutions
- Multiple CPUs in each device
- Sales via chip sets vendors
- 3G deployment
- Strong Growth
- Price stability

## Consulting

- High demand
- Price pressure, specifically in Swedish market



# Financial Targets

**Enea's long-term financial targets are to, over the course of a business cycle, achieve**

- Sales increase of more than 15 percent annually
- Operating margin of at least 10 percent



# Summary

- **Strong earnings recovery continued in Q1(05)**
- **Improved cash flow and solid financial position**
- **License agreement with Nokia Mobile Phones**
- **New product**
- **Intensified market orientation**





# Question & Answer