eniro Q4 | 17

YEAR-END REPORT 2017 JANUARY–DECEMBER

FULL YEAR: JANUARY–DECEMBER 2017

- Total operating revenue amounted to SEK 1,595 M (1,967), a decrease of 19%. Excluding Print, which was discontinued during 2017, total operating revenue decreased 16%.
- EBITDA decreased by 60% to SEK 173 M (428). The EBITDA margin was 10.8% (21.8%).
- Net income for the period was SEK 76 M (-862).
- Earnings per ordinary share for the period were SEK 0.05 (-1.88) before and after dilution.
- A new scalable business model was launched, entailing a more comprehensive customer offering and a transition to subscription-based contracts.
- The year was charged with high, nonrecurring costs amounting to SEK -70 M (-12). Of these, SEK -31 M (-12) pertained to restructuring costs, SEK -25 M (0) consulting costs mainly related to the work on Eniro's recapitalization, and SEK -14 M (0) in costs pertaining to a dispute with Fonecta.

FOURTH QUARTER: OCTOBER–DECEMBER 2017

- Total operating revenue amounted to SEK 374 M (479), a decrease of 22%. Excluding Print, which was discontinued during 2017, total operating revenue decreased 14%.
- EBITDA decreased by 54% to SEK 33 M (72). The EBITDA margin was 8.8% (15.0%).
- Net income for the period was SEK 224 M (-38).
- Earnings per ordinary share for the period were SEK 0.06 (-0.10) before and after dilution.
- The financial position improved strongly following the completed recapitalization. Interest-bearing net debt declined by more than SEK 800 M, of which SEK 275 M comprised a debt write-off, generating a positive effect on financial items in the income statement. Equity increased to SEK 1,097 M (468).
- The new offering continues to be implemented in Sweden, Norway and Denmark, with increased intensity particularly in Norway.
- An action program to further reduce costs ahead of 2018 was largely completed in December and costs in 2018 are expected to be reduced by more than SEK 100 M.
- The Board of Directors proposes that the 2018 Annual General Meeting resolve to not pay any dividend – neither for common nor preference shares.

EVENTS AFTER THE END OF THE REPORTING PERIOD

- On January 8, 2018, the Board of Eniro resolved to appoint from among their number Joachim Berner as new Chairman in conjunction with Björn Björnsson's departure from the Board at his own request.

SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating revenue	374	479	1,595	1,967
EBITDA	33	72	173	428
Adjusted EBITDA	51	77	243	440
Operating income	-9	25	-67	-664
Net income for the period	224	-38	76	-862
Cash flow from operating activities	6	75	5	217
Interest-bearing net debt excluding convertible bond and pension obligations	-575	-1,217	-575	-1,217

Eniro is a leading search company for individuals and businesses in the Nordic region. With quality-assured content and an unrivaled user experience, Eniro inspires local discoveries and makes local communities thrive. Eniro's content is available through Internet and mobile services, printed directories, directory assistance and SMS services. Each week Eniro Group's digital services have 8 million unique visitors. Eniro Group has about 1,700 employees and operations in Sweden, Norway, Denmark, Finland and Poland. The company is listed on Nasdaq Stockholm [ENRO] and headquartered in Stockholm. More on Eniro at enirogroup.com.

CEO's comments

New financial structure

In December, we finally concluded our long journey toward a stronger financial structure. We reduced outstanding preference shares with a conditional dividend by 741,223. We reduced outstanding interest-bearing convertibles by SEK 232 M. We secured a new bank contract with a considerably lower interest rate (2%) and reduced amortization to SEK 20 M per year for the next few years. From total interest, dividends and amortization of approximately SEK 240 M in 2016 to a corresponding amount of SEK 40 M in 2018: this represents a strong improvement in Eniro's net financial items.

This has been a protracted process that has taken time and energy. Now that it is finished, it feels highly gratifying to be able to focus on developing our business operations.

Eniro's journey of change

The journey of change that Eniro is in the midst of contains three main components.

The first, a stronger financial structure, is now in place.

The second, maintaining our "classic" business, with strong cash flow, while we remodel our offering is ongoing with undiminished energy.

The third, and perhaps the most important for facing the future with confidence, is to work on our offering and our business model. This work is in full progress and we have come far, but not yet reached our goal.

Our new offering

Our new subscription-based offering with our product partners, including Google, websites, Närvarokollen and our own strong eniro.xx, is now based on a new, modern and scalable platform. We have been implementing it full-scale in Sweden, Denmark and Norway since the autumn. It takes about a year from when we start in each country until all customers have been transferred to our new platform. At year-end 2017, we had transferred a total of approximately 41% of our customers to our new platform.

Our offering is good but a little more demanding to sell than the old one because it contains more of value. In the short time that we have our customers' attention on the telephone, we have to describe what we do and that is not insignificant. This is our challenge in the short term. When we are able to conduct our sales dialogue, it goes well, and we are working on educating, teaching and training and getting this to work for all of our skilled sales staff. We are now supporting this process with considerably more digital marketing than we have used in the past, which boosts our sales to new customers in the form of more qualified leads to work with.

We are now offering our customers a solution that covers the basic elements required by entrepreneurs to drive their own marketing on the Internet. The solutions are cost-effective, modern and scalable.

2018 will be an exciting year

In 2018, we have major opportunities and the prerequisites to turn around the historic trend of negative sales performance for Eniro and we will bring back growth to our core business. First, the trend in our customer base will be reversed and the sales figures will follow.

This development will take place at different times in Sweden, Denmark and Norway, and we are already seeing positive signs, particularly in Denmark.

We are well on our way to becoming the digital marketing partner for small and medium-size customers. This is a unique position, which will be difficult to copy once we have reached it.

Kista, February 9, 2018

Örjan Frid, President and CEO

Results January-December 2017

Revenue

Operating revenue amounted to SEK 1,595 M (1,967), a decrease of 19%. Currency effects on revenue were SEK 20 M.

Geographically, operating revenue is broken down into Sweden SEK 577 M (797), Norway SEK 430 M (494), Denmark SEK 238 M (312), Finland SEK 149 M (157), and Poland SEK 201 M (207).

Digital search

Digital search includes the Desktop/Mobile search and Complementary digital marketing products revenue categories. Eniro's Desktop/Mobile search services are among the most visited sites in their respective markets and include eniro.se, gulesider.no, krak.dk, dgs.dk and panoramafirm.pl along with the mobile apps, including Eniro's local search app, Eniro Navigation and Eniro På Sjön. Eniro's sites: proff.se, proff.no and proff.dk contains business information. Eniro's advertisers pay for rankings and exposure on hit lists. In Complementary digital marketing products, Eniro offers, for example, advertising solutions via third-party suppliers such as Google and Bing, display advertising via external networks and website products.

Operating revenue from Digital search amounted to SEK 1,236 M (1,459), a decrease of 15%. Of operating revenue, SEK 1,063 M (1,315) came from Desktop/Mobile search and SEK 173 M (144) from Complementary digital marketing products.

Market and traffic

Digital marketing currently accounts for approximately 50% of the media market in Sweden and according to IRM's forecasts for 2018, the expectation is that this will grow further by more than 10%. During 2017, Eniro's sites had a stable traffic trend. Each week, Eniro's sites in Sweden, Norway, Denmark and Poland have about eight million unique visitors. This creates favorable conditions for Eniro's future development.

New business model

Eniro's new strategy and business model entail that Eniro will proceed from mainly offering exposure through its own channels to working with its customers' presence in all digital channels. The aim is to become the marketing partner for small and medium-size companies. These companies often lack the time and knowledge to be able to market themselves digitally. By supplementing Eniro's traditional Desktop/Mobile search digital services with Närvarokollen, a product from our partner Yext, and other partner products such as Google AdWords/Bing Ads in Complementary digital marketing products, Eniro can help the customer to optimize their investment, thereby generating the best possible result. During the year, cooperation was launched with Mono Solutions to meet the demand for readily available, but well-developed websites for companies.

The new business model is subscription-based and the ambition is for Eniro to have more continuous contact with the customer over the course of the year and to thus create a better and closer relationship than previously.

In Sweden, more than half of the customer base has transferred to the new, broader product offering and to subscription-based contracts at the end of 2017. In total, in Sweden, Norway and Denmark, more than a third have signed subscription-based contracts.

Sales and customer base development

During 2017, the customer base trend has been less negative than in the preceding year. In total for the three Scandinavian countries, there were approximately 100,000 customers in Digital Search. In Denmark, which was the country that came closest to a turnaround, the decline in the number of customers in 2017 was only 3%. The average order in the Scandinavian countries for Digital Search was relatively stable between 2016 and 2017.

The new product offering was well received by our customers. One assumption is that the new, broader product offering, with subscription-based contracts, will have a positive impact on the customer base trend.

During 2017, the sales organization was successively adapted to meet new conditions with a new offering, new business model and a more value-generating approach. The aim is to create greater confidence and loyalty among customers. In this change, it has been necessary to implement several structural changes and we can now face 2018 with a more efficient organization and a focus on growth, competence and customer value.

Print

Eniro offers advertising in local printed directories in Sweden, Norway and Denmark under the well-known local brands Din Del in Sweden, Ditt Distrikt in Norway, and Mostrup and Den Røde Lokalbog in Denmark.

Operating revenue from Print amounted to SEK 50 M (138).

For profitability reasons, Eniro decided to discontinue publication of printed directories in 2017. The last directories were published before summer, after which the Print business was discontinued, with the exception of a directory that was published in Denmark in December.

Voice

In Voice, Eniro offers directory information via phone calls and text messaging (SMS), and certain contact center activities. In Sweden, Eniro is the market leader with its 118 118 directory information service. In addition to this, incoming phone calls are handled for other companies on a contract basis. In Finland, apart from the 0100100 directory information service, Eniro has a contact center operation that provides switchboard services and customer service on a contract basis. In Norway, Eniro is the majority owner of 1880 Nummeropplysningen AS (the 1880 and 1888 directory information services).

Operating revenue from Voice amounted to SEK 309 M (370), a decrease of 16%.

Market volumes for directory information services continue to decline in pace with increased digitalization.

The contact center operation that Voice conducts on a contract basis for customers in Finland is growing and partly compensating for the decline in directory information services, which is also the case in Sweden to some extent.

Action program

An action program to further reduce costs ahead of 2018 was largely implemented in December and costs in 2018 are expected to be reduced by more than SEK 100 M compared with 2017.

Operating income

EBITDA for the Group was SEK 173 M (428), corresponding to an EBITDA margin of 10.8% (21.8%). EBITDA is broken down as follows: SEK 181 M (370) pertained to Local search, SEK 56 M (117) pertained to Voice, and SEK -64 M (-59) pertained to other Group functions.

After adjustment for items affecting comparability, adjusted EBITDA for the Group amounted to SEK 243 M (440), a decrease of 45%. The adjusted EBITDA margin was 15.2% (22.4%).

The Group's operating expenses, that is, expenses excluding amortization and impairment losses, totaled SEK -1,427 M (-1,549), where expenses for the period include SEK -70 M (-12) in items affecting comparability. Of these, SEK -31 M (-12) pertained to restructuring costs, SEK -25 M (0) pertained to advisory costs mainly concerning Eniro's recapitalization, and SEK -14 M (0) pertained to costs resulting from Eniro's loss in a legal dispute against Fonecta Oy in Finland. The figure for the preceding year also included nonrecurring items totaling SEK 0 M, net.

After amortization and impairment losses totaling SEK -240 M (-1,092), consolidated operating income amounted to SEK -67 M (-664).

Amortization and impairment losses

The Group's total amortization amounted to SEK -228 M (-219) during 2017. Amortization of the Gule Sider trademark totaled SEK -57 M (-57) and the amortization of the Krak trademark totaled SEK -12 M (-12).

Against the background of the decision to discontinue publication of printed directories during 2017, the useful life of the Ditt Distrikt trademark has been changed. During the year, the trademark was amortized by SEK -53 M (-29), after which the trademark has been fully amortized. The remaining amortization of SEK -106 M (-121) consists mainly of amortization of capitalized costs for product development.

As per December 31, a new impairment test of the value of the Group's intangible assets was performed. Against the background of the expected decline in profitability of the Voice business, the impairment test has been updated quarterly to take the shift in cash flows into account. This resulted in the recognition of impairment in Voice of SEK -12 M, compared with the impairment losses of SEK -873 M in the preceding year, where SEK -22 M was attributable to Voice and SEK -851 M to Local search. Further impairment of goodwill pertaining to Voice is likely as higher cash flows in real time are replaced by lower future cash flows. Eniro's outcome regarding EBITDA is otherwise in line with the forecast that served as the basis for the impairment test, which is why no further need to recognize impairment of goodwill is deemed to exist. Of the impairment in Voice, SEK -2 M (-9) pertains to Sweden, SEK -10 M (-11) pertains to Norway, and SEK 0 M (-2) pertains to Finland. Of the preceding year's impairment losses in Local search, SEK -622 M pertained to Norway and SEK -229 M pertained to Denmark. Refer also to Note 5.

Net financial items

Net financial items amounted to SEK 113 M (-189), with a write-off of debts of SEK 275 M having a positive impact on net financial items. Exchange rate differences affected net financial items by SEK -10 M (-43).

Income before tax, and reported tax

Income before tax amounted to SEK 46 M (-853). Reported tax totaled SEK 30 M (-9).

Net income for the period and earnings per ordinary share

Net income for the year was SEK 76 M (-862). Earnings per ordinary share were SEK 0.05 (-1.88) before and after dilution.

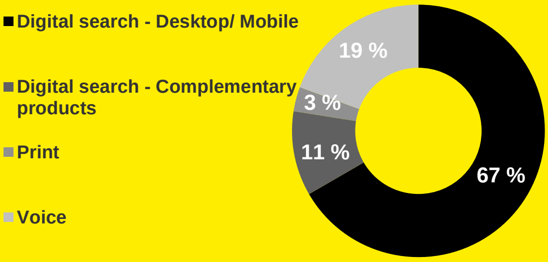
REVENUE YTD 2017

SEK 1,595 M

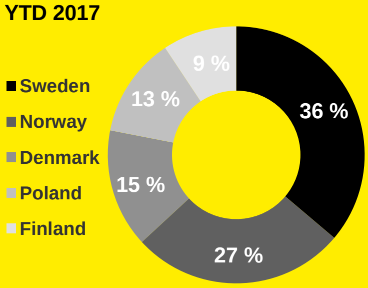
EBITDA YTD 2017

SEK 173 M

GROUP REVENUE PER CATEGORY YTD 2017



GROUP REVENUE PER COUNTRY YTD 2017



Fourth quarter results 2017

Revenue

Operating revenue for the fourth quarter amounted to SEK 374 M (479), a decrease of 22%. The introduction of a new revenue accounting system during the fourth quarter of 2016 enabled a refinement of the revenue model, which resulted in a change entailing revenue being allocated on a daily basis instead of the earlier monthly basis. This had a negative impact of SEK 30 M on revenues in the fourth quarter of 2016. Taking this into account, revenues in the fourth quarter of 2017 declined by 28% compared with the year-earlier period. The high rate of decline for the quarter is attributable in part to the implementation of a new CRM system, which has initially required a longer time to work up customers, and negative publicity early in the quarter surrounding the prospects of a potential company reorganization. Currency effects on revenue were SEK -5 M.

Geographically, operating revenue is broken down into Sweden SEK 132 M (182), Norway SEK 98 M (120), Denmark SEK 56 M (87), Finland SEK 39 M (40), and Poland SEK 49 M (50).

Digital search

Operating revenue from Digital search amounted to SEK 295 M (342), a decrease of 14%. Of operating revenue, SEK 243 M (300) came from Desktop/Mobile search and SEK 52 M (42) from Complementary digital marketing products.

Eniro has a new strategy and business model entailing a shift away from offering exposure primarily via its own channels to working with customers' presence in all digital channels. The goal is to be a marketing partner to small and medium-sized enterprises

The transition to the new direction has continued with a broadened product offering and subscription-based contracts. During the quarter, Sweden passed the boundary of more than half of the customer base having transferred to the new, broader product offering and to subscription-based contracts.

Print

Operating revenue from Print amounted to SEK 3 M (46).

For profitability reasons, Eniro decided to discontinue publication of printed directories during 2017. The last directories were published before summer, after which the Print business was discontinued, with the exception of a directory that was published in Denmark in December.

Voice

Operating revenue from Voice amounted to SEK 76 M (91), a decrease of 16%.

Market volumes for directory information services continue to decline in pace with increased digitalization.

Action program

An action program to further reduce costs ahead of 2018 was largely implemented in December and costs in 2018 are expected to be reduced by more than SEK 100 M, compared with 2017.

Operating income

EBITDA for the Group was SEK 33 M (72), corresponding to an EBITDA margin of 8.8% (15.0%). EBITDA is broken down as follows: SEK 34 M (58) pertained to Local search, SEK 14 M (29) pertained to Voice, and SEK -15 M (-15) pertained to other Group functions.

After adjustment for items affecting comparability, adjusted EBITDA for the Group amounted to SEK 51 M (77), a decrease of 34%. The adjusted EBITDA margin was 13.6% (16.1%).

The Group's operating expenses, that is expenses excluding amortization and impairment losses, totaled SEK -343 M (-410), where expenses for the period included SEK -18 M (-5) in items affecting comparability. Of these, SEK -13 M (-5) pertained to restructuring costs, SEK -3 M (0) pertained to advisory costs mainly concerning Eniro's recapitalization, and SEK -2 M (0) pertained to legal costs resulting from Eniro's loss in a legal dispute against Fonecta Oy in Finland, whereby Eniro was ordered to pay Fonecta's costs relating to the dispute as well as the costs for the arbitral tribunal.

After amortization and impairment losses totaling SEK -42 M (-47), consolidated operating income amounted to SEK -9 M (25).

Amortization and impairment losses

The Group's total amortization amounted to SEK -40 M (-57) during the fourth quarter. Amortization of the Gule Sider trademark totaled SEK -14 M (-14), and amortization of the Krak trademark totaled SEK -3 M (-3).

Against the background of the decision to discontinue publication of printed directories during 2017, the useful life of the Ditt Distrikt trademark has been changed. The trademark that was fully amortized by end of first quarter 2017 was amortized by SEK -7 M during the fourth quarter of the preceding year. The remaining amortization of SEK -23 M (-33) consists mainly of amortization of capitalized costs for product development.

As per December 31, a new impairment test of the value of the Group's intangible assets, was performed. Against the background of the expected decline in profitability of the Voice business, the impairment test has been updated quarterly to take the shift in cash flows into account. During the fourth quarter, this resulted in the recognition of impairment in Voice of SEK -2 M (0) in Sweden. Further impairment of goodwill pertaining to Voice is likely, as higher cash flows in real time are replaced by lower future cash flows. Eniro's outcome regarding EBITDA is otherwise in line with the forecast that served as the basis for the impairment test, which is why no further need to recognize impairment of goodwill is deemed to exist. Refer also to Note 5.

Net financial items

Net financial items amounted to SEK 220 M (-38), with a write-off of debts of SEK 275 M having a positive impact on net financial items. Exchange rate differences affected net financial items by SEK -7 M (0).

Income before tax, and reported tax

Income before tax amounted to SEK 211 M (-13). Reported tax totaled SEK 13 M (-25).

Net income for the period and earnings per ordinary share

Net income for the period was SEK 224 M (-38). Earnings per ordinary share were SEK 0.06 (-0.10) before and after dilution.

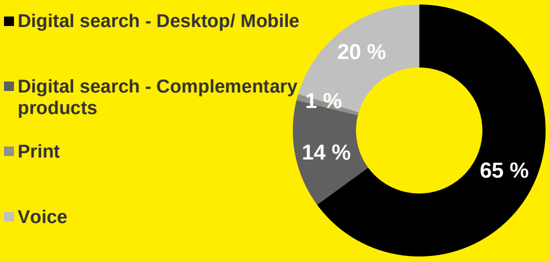
REVENUE Q4 2017

SEK 374 M

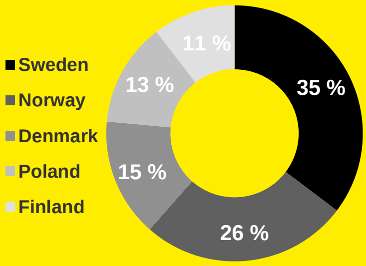
EBITDA Q4 2017

SEK 33 M

GROUP REVENUE PER CATEGORY Q4 2017



GROUP REVENUE PER COUNTRY Q4 2017



Operating revenue by category and operating segment

SEK M	Oct-Dec 2017	Oct-Dec 2016	%	Jan-Dec 2017	Jan-Dec 2016	%
Desktop/Mobile search	243	300	-19	1,063	1,315	-19
Complementary digital marketing products	52	42	24	173	144	20
Digital search	***295***	***342***	***-14***	***1,236***	***1,459***	***-15***
Print	3	46	-93	50	138	-64
Local search	**298**	**388**	**-23**	**1,286**	**1,597**	**-19**
Voice	76	91	-16	309	370	-16
Total revenue	**374**	**479**	**-22**	**1,595**	**1,967**	**-19**

Reconciliation of operating income and adjusted EBITDA

SEK M	Oct-Dec 2017	Oct-Dec 2016	%	Jan-Dec 2017	Jan-Dec 2016	%
Operating income	-9	25	-136	-67	-664	90
Depreciation/amortization	40	57		228	219	
Impairment losses	2	-10		12	873	
Total EBITDA	**33**	**72**	**-54**	**173**	**428**	**-60**
Whereof Local search	34	58	-41	181	370	-51
Whereof Voice	14	29	-52	56	117	-52
Whereof Other	-15	-15	0	-64	-59	-8
EBITDA margin %	***8.8***	***15.0***		***10.8***	***21.8***	
Items affecting comparability						
Restructuring costs	13	5		31	12	
Other items affecting comparability	5	0		39	0	
Total adjusted EBITDA	**51**	**77**	**-34**	**243**	**440**	**-45**
Adjusted EBITDA margin %	***13.6***	***16.1***		***15.2***	***22.4***	

Interest-bearing net debt excluding convertible bond and pension obligations

SEK M	Note	Dec. 31 2017	Dec. 31 2016
Borrowing		-828	-1,442
Finance lease		-10	-12
Other current interest-bearing receivables		0	0
Other non-current interest-bearing receivables [1)]		212	189
Cash and cash equivalents		51	48
Interest-bearing net debt excluding convertible bond and pension obligations		**-575**	**-1,217**

[1)] Included in financial assets. SEK 200 M pertains to pledged bank funds for future pension obligations, referred to as an enhanced pension guarantee. The remaining amount pertain to pledged bank funds as a security for leases in Norway and Finland and as guarantee against Volvo Finans.

Cash flow and financial position

Financial position

Total assets in the Group amounted to SEK 3,306 M (3,505), a decrease of 6%.

Intangible assets amounted to SEK 2,548 M (2,761), of which SEK 2,006 M (2,018) pertained to goodwill.

The Group's interest-bearing net debt excluding the convertible bond and pension obligations amounted to SEK 575 M (1,217) as per December 31.

The Group's indebtedness, expressed as interest-bearing net debt excluding the convertible bond and pension obligations in relation to EBITDA, was 3.3 (2.8) as per December 31.

As per December 31 the Group's outstanding net debt under existing credit facilities was NOK 199 M (199), DKK 40 M (44) and SEK 630 M (1,212). At the end of the period, Eniro had an unutilized credit facility of SEK 29 M (101). Cash and cash equivalents and unutilized credit facilities amounted to SEK 80 M (149).

The convertible bond is reported at cost and amounted to SEK 26 M (216) as per December 31. The nominal debt at the same point in time was SEK 29 M (261), entailing that 471 (239) of the total 500 convertibles have been converted to ordinary shares. See also "Eniro's Implemented Recapitalization Plan" on page 9.

The Group's pension obligations amounted to SEK 520 M (428) at December 31. In 2016, Eniro changed over to paying periodic premiums for defined benefit pension plans in Sweden, entailing no new additional vesting.

Eniro has credit insurance with PRI Pensionsgaranti (PRI) which remains in force until June 30, 2018. Eniro has pledged bank funds for future obligations (a so-called enhanced pension guarantee). Eniro pledged SEK 11 M (56) during 2017. As per December 31, 2017, total pledged funds amounted to SEK 200 M (189), including returns.

Prepaid revenue amounted to SEK 385 M (449) at the end of the quarter. Prepaid revenue arises mainly in the Desktop/Mobile search segments, where certain customers pay one year in advance, and in Print in Sweden, where customers paid in advance, but the revenue was not recognized until the directories had been printed and distributed. The 14% decrease compared with December 31, 2016, is mainly attributable to lower sales, but also to the decision to discontinue the print business.

Cash flow

Cash flow from operating activities was SEK 5 M (217). Lower EBITDA of SEK 173 M (428), a negative change in working capital of SEK -16 M (-25) and higher financial items of SEK -139 M (-101) were countered by lower tax payments of SEK -5 M (-14) and lower other non-cash items of SEK -8 M (-71), which mainly pertain to changes in provisions.

Eniro's tax payments are made mainly during the first half of the year. Eniro has loss-carryforwards in Sweden, Denmark, Finland and Poland, which is why tax payments have been low.

Cash flow from investing activities amounted to SEK -34 M (-92), where net investments in operations amounted to SEK -34 M (-93). During the preceding year, an earn-out payment of SEK 1 M was received from a divested operation.

Cash flow from financing activities amounted to SEK 32 M (-173). During the year, new borrowing amounted to SEK 65 M (24), while amortizations totaled SEK -283 M (-86). Payment of dividends on preference shares amounted to SEK -12 M (-48) pursuant to an 2017 AGM resolution not to pay dividends on preference shares. Long-term investments have increased by an additional SEK -11 M (-56), which pertains to pledged funds for continued credit insurance with PRI Pensionsgaranti. A cash issue was made of SEK 278 M (0). Dividends to minority shareholders amounted to SEK -5 M (-8).

Cash flow for the period amounted to SEK 3 M (-48).

Acquisitions/divestments

No acquisitions or divestments were carried out during the period.

Parent Company

Operating revenue amounted to SEK 16 M (23), which pertains to intra-Group services. Income for the period was SEK 246 M (-1,967). At December 31, the Parent Company's equity amounted to SEK 1,435 M (565), of which unrestricted equity amounted to SEK 243 M (34).

Shares and holdings of treasury shares

As per December 31, the total number of shares was 6,624,702,322, of which 6,140,572,579 are ordinary Class A shares, 483,870,966 are ordinary Class B shares and 258,777 are preference shares. The total number of votes as per December 31 was 6,188,985.553.3, of which ordinary Class A shares correspond to 6,140,572,579 votes, ordinary Class B shares correspond to 48,387,096.6 votes and preference shares to 25,877.7 votes.

Upon full dilution resulting from conversion to shares, the number of shares will amount to a maximum of 6,671,312, 518.

Eniro held 1,703,266 treasury shares on December 31, 2017. The average holding of treasury shares during the period was 1,703,266.

Other information

Annual General Meeting
Eniro's 2018 Annual General Meeting will be held at 3:00 p.m. on April 25, 2018 at the Helio business center, Kistagången 12, Kista.

Dividend
The Board of Directors proposes that the 2018 Annual General Meeting resolve to not pay any dividend – neither for ordinary nor preference shares.

Annual Report 2017
Eniro's 2017 Annual Report will be available on the company's website www.enirogroup.com in the week beginning March 26.

Employees
Full-time employees at the end of the period

	Dec. 31 2017	Dec. 31 2016
Sweden	264	347
Norway	194	248
Denmark	116	149
Poland	569	625
Local search including Other	**1,143**	**1,369**
Sweden	80	100
Norway	25	26
Finland	181	161
Voice	**286**	**287**
Total Group	**1,429**	**1,656**

Risks and uncertainties
Eniro conducts risk analysis in an annual Enterprise Risk Management (ERM) process, covering all parts of the business operations. A detailed description of factors that could affect Eniro's business, financial position and results is provided in the 2016 Annual Report, pages 27-29.

Other risks and uncertainties in the annual risk analysis that are judged to potentially affect the Group's performance in 2017 are related to high personnel turnover and recruitment difficulties, a negative media image affecting customers, higher competition from global actors in local search, a lack of digital expertise among the sales representatives, difficulties in conveying customer benefit, and delays in the ongoing implementation of joint CRM and finance systems.

See also "Eniro's Implemented Recapitalization Plan" and the prospectus prepared by the company in 2017.

Eniro's Implemented Recapitalization Plan
In 2017, Eniro implemented a Recapitalization Plan ("the Recapitalization Plan), developed in close cooperation with lending banks ("the Bank Syndicate"). The Recapitalization Plan, which was unanimously approved by the Annual General Meeting on June 7, 2017, entails a changed capital structure, new borrowing terms, the write-off of bank loans, set-off of bank loans against ordinary shares, and a reduction in share capital without canceling ordinary shares, as well as a reduction of share capital by the cancelation of preference shares. The Recapitalization Plan was aimed at creating a balanced solution for each capital owner, while at the same time giving Eniro a long-term, sustainable capital structure, with a level of indebtedness adapted to Eniro's new business plan and future earnings capacity.

The various steps in the Recapitalization Plan
The Recapitalization Plan was conducted in a number of steps, which were implemented in a predetermined order: the Exchange Offers, Set-off issue alongside a reduction in Eniro's bank loans, as well as a Cash issue, alongside a further reduction in Eniro's bank loans. In addition, a reduction in the share capital without cancelation of ordinary shares was implemented, as well as a reduction in share capital with the cancelation of preference shares, while finally, a Compensation issue was conducted aimed at the Guarantee Consortium.

The Exchange Offers
The Exchange Offers consisted of two offers: i) an offer directed at holders of Eniro's preference shares to subscribe for Class A ordinary shares and to have their preference shares redeemed under the condition that the redemption claim of SEK 400 per preference share was used as payment for subscribed Class A ordinary shares, and ii) an offer directed at holders of Eniro's convertibles (2015/2020) to subscribe for Class A ordinary shares with payment through set-off of the convertible loan receivable from Eniro. The subscription price amounted to SEK 0.31.

The completion of the Recapitalization was conditional upon the required acceptance rate in the Exchange Offers being met. The Offers were accepted by owners of 74.12% of the preference shares and 88.89% of the holders of convertible bonds, which was lower than the conditional acceptance rate, although this was accepted by the Bank Consortium. In total, 1,629,959,110 Class A ordinary shares were subscribed and issued within the framework of the Exchange Offers. After the Exchange Offers, 258,777 preference shares remain along with convertible bonds with a total nominal value of SEK 29 M.

Set-off issue and reduction of Eniro's bank loans
The Bank Syndicate was issued 483,870,966 new Class B ordinary shares with payment through set-off of bank loans of approximately SEK 150 M (the set-off issue). The subscription price was SEK 0.31 per Class B ordinary share. The Class B ordinary shares carry one-tenth (1/10) of a vote each, but these may – at the holder's request – be converted to Class A ordinary shares with one (1) vote per ordinary share.

Guarantee Consortium
In the summer of 2017, a group of Eniro's major convertible bond holders took the initiative to form a guarantee consortium ("the Guarantee Consortium). The Guarantee Consortium initiated negotiations with the Bank Syndicate to ensure that the Cash Issue of SEK 275 M would be fully subscribed and paid in cash, provided the Bank Syndicate accepted certain adjustments to the loan agreements presented in conjunction with company's Recapitalization Plan. The negotiations were concluded successfully and on October 4, 2017, Eniro announced that an agreement had been reached with both the Bank Syndicate and the Guarantee Consortium.

Cash issue and reduction of Eniro's bank loans
The cash issue was targeted at those shareholders who on the record date of October 27, 2017, were holders of Class A ordinary shares. The shareholders who accepted the Exchange Offers and would thus receive Class A ordinary

shares were not included in this offer. Each Class A ordinary share provided entitlement to seven (7) subscription rights and each subscription right carried entitlement to subscription for one (1) new ordinary share. The subscription price was SEK 0.075 per share. In the Cash issue, 1,906,745,507 shares were subscribed, corresponding to 51.39% of the total offering, supported by subscription rights, and 99,823,525 shares, corresponding to 2.69% of the total offering, were subscribed without the support of subscription rights. The remaining 1,704,040,318 shares, corresponding to 45.92% of the total offering, were allocated to the Guarantee Consortium. Through the Cash issue, Eniro thus received SEK 278.3 M before issue costs. The issue proceeds were used for the amortization of bank loans. The Bank Syndicate also wrote off the bank loans by the corresponding amount.

Guarantee compensation issue

As compensation for their guarantee undertakings, the Guarantee Consortium received compensation corresponding to 10% of the amount provided, entailing total guarantee remuneration of SEK 26.75 M. The guarantee remuneration was paid using newly issued Class A ordinary shares with a subscription price of SEK 0.0899 per share, which corresponded to the volume-weighted average price of Eniro's Class A ordinary share and the paid subscription shares from the Exchange Offers during the last five days of trading in the subscription period for the Cash issue.

For technical reasons, the issue was divided into two steps, with 269,917,069 Class A ordinary shares being issued on or around November 30, 2017, after which these shares could be traded, and the remaining 27,635,762 ordinary shares will be issued as soon as possible after the publication of Eniro's 2017 Annual Report, upon which these shares will be available for trading.

New terms of bank loans

Eniro and the banks have reached an agreement on new and improved terms of bank loans that give Eniro a fixed credit of approximately SEK 830 M and a revolving credit facility of SEK 100 M. The amended bank loan agreement will have a term until the end of 2020 and entails, among other things, a lower interest rate and lower requirements for scheduled amortization. Starting in 2018, Eniro must amortize a minimum of SEK 5 M per quarter, and starting in 2020, a minimum of SEK 20 M per quarter. In addition, Eniro receives some extra debt reduction and an interest rate discount if additional amortizations are made. Further, the key ratio covenants have been adjusted and aligned to the new business plan.

Number of shares after Recapitalization

As a result of the Recapitalization Plan, the total number of shares and votes in Eniro has increased by 5,610,485,529 Class A shares and votes and 483,870,966 shares and 48,387,096.6 Class B votes. At the same time, the company's preference shares and votes declined by 741,223 preference shares and 74,122.3 votes, respectively.

At 29 December 2017, the total number of shares in Eniro amounted to 6,624,702,322, of which 6,140,572,579 shares are Class A ordinary shares, 483,870,966 shares are Class B ordinary shares and 258,777 are preference shares. At the same date, the total number of votes in Eniro was 6 188 985 553,3, of which Class A ordinary shares correspond to 6,140,572,579 votes, Class B ordinary shares correspond to 48,387,096.6 votes and preference shares correspond to 25,877.7 votes.

Further information

In conjunction with the Recapitalization Plan, Eniro prepared a prospectus. This prospectus is available at www.enirogroup.com.

Nomination Committee's composition

Eniro's Nomination Committee ahead of the 2018 Annual General Meeting, and after the most recent ownership changes, comprises Johnny Sommarlund (MGA Placeringar), Ilija Batljan, Tedde Jeansson, Arne Myhrman (LMP Venture Partner), and the Chairman of the Board. Arne Myhrman was appointed Chairman of the Nomination Committee.

Events after the end of the reporting period

On January 8, 2018, the Board of Eniro resolved to appoint from among their number Joachim Berner as new Chairman in conjunction with Björn Björnsson's departure from the Board at his own request. In conjunction with this, Joachim Berner also joined Eniro's Nomination Committee in his capacity as Chairman of the Board. Until the 2018 Annual General Meeting, Eniro's Board of Directors will comprise Joachim Berner (Chairman), Ola Salmén, Örjan Frid (CEO) and Katarina Emilsson (employee representative).

Review report

This year-end report has not been reviewed by the company's auditors.

Disclosure

The information in this report is such that Eniro AB (publ) is obligated to disclose pursuant to EU Market Abuse Regulation. This information was submitted for publication, by agency of the contact persons below, at 8:30 CET on February 9, 2018.

Kista, February 9, 2018

Örjan Frid

President and CEO

FOR FURTHER INFORMATION, PLEASE CONTACT:

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FINANCIAL CALENDAR

Interim report Jan-Mar 2018	April 25, 2018
Annual General Meeting 2018	April 25, 2018
Interim report Jan-Jun 2018	August 14, 2018
Interim report Jan-Sep 2018	October 30, 2018

Consolidated accounts

Consolidated income statement

SEK M	Note	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating revenue		**374**	**479**	**1,595**	**1,967**
Production costs		-103	-117	-408	-440
Sales costs		-133	-181	-578	-674
Marketing costs		-21	-56	-169	-194
Administration costs		-73	-58	-271	-245
Product development costs		-53	-55	-229	-215
Other income/costs		2	3	5	10
Impairment of non-current assets		-2	10	-12	-873
Operating income	2	**-9**	**25**	**-67**	**-664**
Financial items, net		220	-38	113	-189
Income before tax		**211**	**-13**	**46**	**-853**
Income tax		13	-25	30	-9
Net income		**224**	**-38**	**76**	**-862**
Of which, attributable to:					
Owners of the Parent Company		223	-40	71	-869
Non-controlling interests		1	2	5	7
Net Income		**224**	**-38**	**76**	**-862**
Earnings per ordinary share before dilution, SEK	3	0.06	-0.10	0.05	-1.88
Earnings per ordinary share after dilution, SEK	3	0.06	-0.10	0.05	-1.88
Average number of ordinary shares before dilution after deduction of treasury shares, 000s		3,575,562	509,153	1,290,178	488,961
Average number of ordinary shares after dilution after deduction of treasury shares, 000s		3,622,172	662,849	1,336,789	642,657
Preference shares on closing date, 000s		259	1,000	259	1,000

Consolidated statement of comprehensive income

SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Net income	**224**	**-38**	**76**	**-862**
Other comprehensive income				
Items that cannot be reclassified to income statement				
Revaluation of pension obligations	-46	124	-100	-39
Tax attributable to revaluation pension obligations	10	-27	22	9
Total	**-36**	**97**	**-78**	**-30**
Items that have been or can be reclassified to the income statement				
Exchange rate differences	16	-22	5	185
Hedge of net investments	2	7	9	-27
Tax attributable to hedge of net investments	0	-2	-2	9
Total	**18**	**-17**	**12**	**167**
Other comprehensive income, net after tax	***-18***	***80***	***-66***	***137***
Total comprehensive income	**206**	**42**	**10**	**-725**
Of which, attributable to:				
Owners of the Parent Company	206	40	8	-736
Non-controlling interests	0	2	2	11
Total comprehensive income	**206**	**42**	**10**	**-725**

Consolidated balance sheet

SEK M	Note	Dec. 31 2017	Dec. 31 2016
Assets			
Non-current assets			
Tangible assets		20	29
Intangible assets	5	2,548	2,761
Deferred tax assets		159	97
Financial assets		258	235
Total non-current assets		**2,985**	**3,122**
Current assets			
Accounts receivable - trade		163	210
Current tax assets		14	16
Other current receivables		93	109
Other interest-bearing receivables		0	0
Cash and cash equivalents		51	48
Total current assets		**321**	**383**
TOTAL ASSETS		**3,306**	**3,505**
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital		1,192	531
Additional paid in capital		5,829	5,554
Reserves		-313	-327
Retained earnings		-5,650	-5,332
Shareholders' equity, owners of the Parent Company		**1,058**	**426**
Non-controlling interests		39	42
Total Shareholders' equity		**1,097**	**468**
Non-current liabilities			
Borrowing		760	10
Convertible bond		26	216
Deferred tax liabilities		144	164
Pension obligations		520	428
Provisions		0	5
Other non-current liabilities		0	0
Total non-current liabilities		**1,450**	**823**
Current liabilities			
Accounts payable - trade		60	52
Current tax liabilities		8	12
Prepaid revenues		385	449
Other current liabilities		208	248
Provisions		20	9
Borrowing		78	1,444
Total current liabilities		**759**	**2,214**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,306**	**3,505**

Consolidated statement of changes in equity

SEK M	Share Capital	Additional paid in capital	Reserves	Retained earnings	Total equity, owners of the Parent Company	Non-controlling interest	Total equity
Opening balance, January 1, 2016	**477**	**5,517**	**-491**	**-4,384**	**1,119**	**39**	**1,158**
Total comprehensive income	-	-	163	-899	-736	11	**-725**
Conversion of convertible bonds	54	36	-	-	90	-	**90**
Warrant incentive program	-	1	-	-	1	-	**1**
Dividend on preference shares	-	-	-	-48	-48	-	**-48**
Dividend non-controlling interest	-	-	-	-	-	-8	**-8**
Closing balance, December 31, 2016	**531**	**5,554**	**-328**	**-5,331**	**426**	**42**	**468**
Opening balance, January 1, 2017	**531**	**5,554**	**-328**	**-5,331**	**426**	**42**	**468**
Total comprehensive income	-	-	15	-7	8	2	**10**
Reduction of share capital	-436	-	-	436	0	-	**0**
Set-off issue	259	187	-	-296	150	-	**150**
Set-off issue, issue expenses	49	-	-	-24	25	-	**25**
Cash issue	668	-	-	-390	278	-	**278**
Cash issue, issue expenses	-	-	-	-55	-55	-	**-55**
Cash issue, deferred tax issue expenses	-	-	-	12	12	-	**12**
Conversion of convertible bonds	121	88	-	5	214	-	**214**
Dividend non-controlling interest	-	-	-	-	-	-5	**-5**
Closing balance, December 31, 2017	**1,192**	**5,829**	**-313**	**-5,650**	**1,058**	**39**	**1,097**

Consolidated statement of cash flows

SEK M	Note	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating income		**-9**	**25**	**-67**	**-664**
Adjustments for					
Depreciation, amortization and impairment		42	47	240	1,092
Capital gain/loss and other non-cash items		-1	1	-8	-71
Financial items, net		-90	-29	-139	-101
Income tax paid		8	0	-5	-14
Cash flow from operating activities before changes in working capital		**-50**	**44**	**21**	**242**
Changes in working capital		56	31	-16	-25
Cash flow from operating activities		**6**	**75**	**5**	**217**
Acquisitions/divestments of Group companies and other assets		-	-	-	1
Investments in non-current assets, net		-7	-22	-34	-93
Cash flow from investing activities		**-7**	**-22**	**-34**	**-92**
Proceeds from borrowings		21	-13	65	24
Repayment of borrowings		-283	-	-283	-86
Long-term investments		-	-36	-11	-56
Dividend on preference shares		-	-12	-12	-48
Dividend non controlling interests		0	-4	-5	-8
Cash issue		278	-	278	-
Warrant incentive program		-	-	-	1
Cash flow from financing activities		**16**	**-65**	**32**	**-173**
Cash flow for the period		**15**	**-12**	**3**	**-48**
Cash and cash equivalents at start of period		**35**	**60**	**48**	**91**
Cash flow for the period		15	-12	3	-48
Exchange rate differences in cash and cash equivalents		1	0	0	5
Cash and cash equivalents at end of period		**51**	**48**	**51**	**48**

Parent Company accounts

Income statement

SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating revenue	**-1**	**7**	**16**	**23**
Administration costs	-16	-22	-81	-87
Other income/costs	1	0	0	2
Operating income	**-16**	**-15**	**-65**	**-62**
Financial items, net	328	-114	304	-1,993
Appropriations, Group contributions received	-	76	-	76
Income before tax	**312**	**-53**	**239**	**-1,979**
Income tax	2	-10	7	12
Net income	**314**	**-63**	**246**	**-1,967**

During 2016, Eniro AB wrote down shares in subsidiaries by SEK 1,985 M, of which SEK 1,887 M in Q2 and SEK 98 M in Q4.

Balance sheet

SEK M	Dec. 31 2017	Dec. 31 2016
Non-current assets	1,499	2,519
Current assets	60	185
TOTAL ASSETS	**1,559**	**2,704**
Shareholders' equity	1,435	565
Provisions	73	78
Non-current liabilities	26	2,014
Current liabilities	25	47
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,559**	**2,704**

Notes to the consolidated accounts

Note 1 Accounting policies

Group

This year-end report has been prepared in accordance with IAS 34. The term "IFRS" in this document comprises the application of IAS and IFRS, as well as the interpretation of these recommendations as published by the IASB:s Standards Interpretation Committee (SIC) and the IFRS Interpretations Committee (IFRIC). The application of the accounting policies corresponds with those contained in the Annual Report for the financial year ended December 31, 2016 and should be read in combination with these.

New and amended standards and interpretations applicable as of January 1, 2017.

There is no significant difference between IFRSs applicable on December 31, 2017, and IFRSs as adopted by the EU. None of the new or amended standards and interpretations as introduced from January 1, 2017, had any material impact on the company's financial statements.

Standards to be applied in the first quarter of 2018.

IFRS 15

Contract Costs

Eniro's sales commission meets the criteria to be recognized as contract costs, since they are costs that Eniro would not have incurred if the contract had not been secured. The amortization period initially adopted was 12 months; the amortization period will be reviewed regularly.

Eniro recognizes Work in progress for both Print and Online products. Work in progress for Online products does not meet the criteria for comprising a Contract Cost in accordance with IFRS 15.

Choice of transition method and exceptions

Eniro is applying a retroactive transition method, with an opening balance established on January 1, 2017 and the comparative year restated in accordance with IFRS 15.

Since Eniro's customers pay for certain services in advance, some of Eniro's contracts contain a financing component. Eniro has chosen to apply the practical exception and not adjust the transaction price for the effects of a financing component because the period between the transfer of service and payment is one year or less. (IFRS 15p 63).

Early application of IFRS 15 already in 2017 would have resulted in a positive impact on earnings before tax of approximately SEK 70 M and a negative effect on equity of approximately SEK 120 M.

IFRS 9 Financial instruments

The complete version of IFRS 9 replaces most of the guidance contained in IAS 39. IFRS 9 updates classification, recognition and impairment testing of financial assets, and places new requirements in the application of hedge accounting. The Group will apply IFRS 9 retroactively as of the required application date, January 1, 2018, and will not restate comparative information.

The transition to IFRS 9 is estimated to have only a marginal impact on the Group's financial position.

Note 2 Segment information

Eniro reports its financial results distributed among the Local search and Voice business areas. Local search has cross-border functions for Digital solutions (formerly User and Customer Experience), Nordic Sales, Human Resources, and Finance. The Voice business area is governed separately and is not an integrated part of the function-based organization.

	Local search				Voice			
SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating revenue								
Sweden	105	144	457	633	27	38	120	164
Norway	88	107	390	445	10	13	40	49
Denmark	56	87	238	312	-	-	-	-
Finland	-	-	-	-	39	40	149	157
Poland	49	50	201	207	-	-	-	-
Total	**298**	**388**	**1,286**	**1,597**	**76**	**91**	**309**	**370**
Adjusted EBITDA	**44**	**64**	**207**	**367**	**15**	**29**	**63**	**117**
Items affecting comparability[1]	-10	-5	-26	3	-1	-	-7	-
EBITDA	**34**	**59**	**181**	**370**	**14**	**29**	**56**	**117**
Depreciation/amortization	-39	-56	-222	-214	-1	-1	-6	-5
Impairment losses	-	11	-	-851	-2	-1	-12	-22
Operating income	**-5**	**14**	**-41**	**-695**	**11**	**27**	**38**	**90**
Net financial items								
Taxes								
Net income for the period								

	Other				Total			
SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Operating revenue								
Sweden	-	-	-	-	**132**	**182**	**577**	**797**
Norway	-	-	-	-	**98**	**120**	**430**	**494**
Denmark	-	-	-	-	**56**	**87**	**238**	**312**
Finland	-	-	-	-	**39**	**40**	**149**	**157**
Poland	-	-	-	-	**49**	**50**	**201**	**207**
Total	**-**	**-**	**-**	**-**	**374**	**479**	**1,595**	**1,967**
Adjusted EBITDA	**-8**	**-16**	**-27**	**-44**	**51**	**77**	**243**	**440**
Items affecting comparability[1]	-7	0	-37	-15	**-18**	**-5**	**-70**	**-12**
EBITDA	**-15**	**-16**	**-64**	**-59**	33	72	173	428
Depreciation/amortization	0	0	0	0	**-40**	**-57**	**-228**	**-219**
Impairment losses	-	-	-	-	**-2**	**10**	**-12**	**-873**
Operating income	**-15**	**-16**	**-64**	**-59**	**-9**	**25**	**-67**	**-664**
Net financial items					220	-38	113	-189
Taxes					13	-25	30	-9
Net income for the period					224	-38	76	-862

[1] Items affecting comparability consists of restructuring costs, advisory costs and legal costs. In addition to restructuring costs, 2016 also includes a non-recurring effect of pensions, a closure cost and severance pay.

Note 3 Earnings per share

Earnings per ordinary share before dilution

Earnings per share before dilution are calculated as income for the period attributable to owners of the Parent Company less the set dividend on preference shares for the period, divided by the average number of ordinary shares, excluding treasury shares, before dilution.

Earnings per ordinary share after dilution

In calculating earnings per share after dilution, the average number of shares is adjusted for the effects of the potential dilution of ordinary shares associated with the convertible bond and the warrant program. This entails that earnings per share after dilution are calculated by dividing income for the period attributable to owners of the Parent Company plus interest expense after tax pertaining to the convertible loan, less the set dividend on preference shares for the period, by the average number of ordinary shares, excluding treasury shares, after full conversion.

SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
Earnings attributable to owners of the Parent Company	223	-40	71	-869
Dividend established for cumulative preference shares during the period	-	-12	-12	-48
Earnings used for calculating earnings per ordinary share, before dilution	**223**	**-52**	**59**	**-917**
Cupon rate for convertible bonds	-3	3	6	15
Earnings used for calculating earnings per ordinary share, after dilution	**220**	**-49**	**65**	**-902**
Earnings per ordinary share				
before dilution, SEK	0.06	-0.10	0.05	-1.88
after dilution, SEK	0.06	-0.10	0.05	-1.88
Average number of ordinary shares after deduction of treasury shares				
before dilution, 000s	3,575,562	509,153	1,290,178	488,961
after dilution, 000s	3,622,172	662,849	1,336,789	642,657
Preference shares				
on closing date, 000s	259	1,000	259	1,000

Note 4 Financial instruments by category

Assets and liabilities on the balance sheet SEK M	Dec. 31 2017	Dec. 31 2016
Loans and accounts receivables		
Non-current assets		
Interest-bearing receivables, blocked bank funds	212	189
Current assets		
Accounts receivable - trade and other receivables	176	222
Cash and cash equivalents	51	48
TOTAL	**439**	**459**
Other financial liabilities		
Non-current liabilities		
Borrowing	752	0
Convertible bond	26	216
Finance lease	8	10
Current liabilities		
Borrowing	76	1,442
Finance lease	2	2
Accounts payable - trade	60	52
TOTAL	**924**	**1,722**

Note 5 Goodwill

SEK M	Dec. 31 2017	Dec. 31 2016
At start of year	2,018	2,808
Reclassifications	-	-
Impariment loss for the year	-12	-873
Exchange rate difference	0	83
Carrying amount	**2,006**	**2,018**

Impairment testing of goodwill and trademarks with indefinite useful life

Accumulated impairment losses for goodwill amounted to SEK -12 M (-873) as per December 31. The impairment losses stem from the impairment testing of the value of the Group's intangible assets.

In the impairment testing, a determination is made as to whether a need to recognize impairment exists by comparing the cash-generating unit's carrying amount, including goodwill and other consolidated surplus value, with the recoverable amount. If the carrying amount exceeds the recoverable amount, the carrying amount is written down to the recoverable amount.

Eniro's lowest cash-generating units consist of the operating segments per country, i.e., Local search and Voice, which corresponds to the monitoring that is conducted in both the internal and external reporting. The recoverable amount consists of the value in use. A discount rate before tax has been determined for the respective cash-generating units.

As per December 31, a new impairment test was performed. The test was based on the budget for 2018 with the new business model presented to the Board in December 2017. Eniro has assessed that the market in 2018 will accept the new business model and that growth in Local Search will subsequently gain momentum in the 2019-2021 period, thereafter falling to 2 percent in perpetual growth in 2022. Furthermore in the test for the years following 2018, Eniro has assessed the new business model to be scalable and that the EBITDA margin will increase in pace with growth in sales. Sales growth and scalability constitute material assessments in the impairment test and, should the future outcome deviate from these assessments, the impairment of intangible assets cannot be ruled out.

Against the background of the expected decline in profitability of the Voice business, the impairment test has been updated quarterly to take the shift in cash flows into account. This resulted in the recognition of impairment in Voice of SEK -12 M, compared with the impairment losses of SEK -873 M in the preceding year, where SEK -22 M was attributable to Voice and SEK -851 M to Local search. Further impairment of goodwill pertaining to Voice is likely, as higher cash flows in real time are replaced by lower future cash flows. Of the impairment losses in Voice, SEK -2 M (-9) pertains to Sweden, SEK -10 M (-11) pertains to Norway, and SEK 0 M (-2) pertains to Finland. Of the impairment losses in Local search, SEK 0 M (-622) pertains to Norway and SEK 0 M (-229) pertains to Denmark. Eniro's outcome regarding EBITDA is otherwise in line with the forecast that served as the basis for the impairment test, which is why no further need to recognize impairment of goodwill is deemed to exist.

Discount rate after tax by cash generating unit, %	Dec. 31 2017	Dec. 31 2016
Sweden, Local search	12.49	12.49
Sweden, Voice	15.60	15.60
Norway, Local search	11.67	11.67
Norway, Voice	15.00	15.00
Denmark, Local search	12.52	12.52
Poland, Local search	15.30	15.30
Finland, Voice	14.20	14.20

Note 6 Events after the balance sheet date

On January 8, 2018, the Board of Eniro resolved to appoint from among their number Joachim Berner as new Chairman in conjunction with Björn Björnsson's departure from the Board at his own request.

Key ratios

	Dec. 31 2017	Dec. 31 2016
Equity, average 12 months, SEK M	399	624
Return on equity (ROE), 12 months, %	17.8	-139.3
Return on Assets (ROA), 12 months, %	6.0	-18.8
Earnings per ordinary share before dilution, SEK	0.05	-1.88
Earnings per ordinary share after dilution, SEK	0.05	-1.88
Interest-bearing net debt excluding convertible bond and pension obligations, SEK M	-575	-1,217
Debt/equity ratio, times	0.52	2.60
Equity/assets ratio, %	33	13
Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times	3.3	2.8
Interest-bearing net debt excluding convertible bond and pension obligations/adjusted EBITDA 12 months, times	2.4	2.8
Average number full-time employees	1,543	1,662
Number of full-time employees on closing date	1,429	1,656
Number of ordinary shares before dilution on closing date after deduction of treasury shares, 000s	6,622,740	528,384
Number of ordinary shares after dilution on closing date after deduction of treasury shares, 000s	6,669,350	682,080
Number of preference shares on closing date, 000s	259	1,000

Key ratios per share

	Dec. 31 2017	Dec. 31 2016
Equity per share, SEK	0.16	0.80
Share price for ordinary shares at end of period, SEK	0.05	0.25

Financial definitions

Eniro presents certain financial measures that are not defined in IFRS. Eniro believes that these measures provide valuable, complementary information to investors and to company management, as they enable assessment of Group's earnings and financial position. Since not all companies calculate financial measures in the same way, these are not always comparable with measures used by other companies. These financial measures shall therefore not be regarded as a substitute for the measures defined in IFRS.

Financial IFRS measures

Name	Definition	Calculation
Earnings per ordinary share for the period before dilution	Income for the period attributable to owners of the Parent Company less the portion of the approved dividend for the period for preference shares, divided by the average number of ordinary shares before dilution.	(Income for the period attributable to owners of the Parent Company – the portion of the approved dividend for the period for preference shares)/ (Average number of ordinary shares before dilution) x 1,000
Earnings per ordinary share for the period after dilution	Income for the period attributable to owners of the Parent Company less the portion of the approved dividend for the period for preference shares and interest expenses after tax pertaining to the convertible bond, divided by the average number of ordinary shares after full conversion.	(Income for the period attributable to owners of the Parent Company – the portion of the approved dividend for the period for preference shares + interest expenses after tax pertaining to the convertible bond)/ (Average number of ordinary shares after full conversion) x 1,000
Average number of ordinary shares before dilution	The average number of ordinary shares outstanding, excluding treasury shares.	(Average number of ordinary shares outstanding, excluding treasury shares, per quarter (CB+OB)/2 for the four last quarters)/4
Average number of ordinary shares after dilution	The average number of ordinary shares excluding treasury shares, adjusted for full conversion of all potential ordinary shares in the convertible bond and warrant program.	((Average number of ordinary shares outstanding, excluding treasury shares, (CB+OB)/2 for the four last quarters)/4) + (Adjustment for full conversion of all potential ordinary shares in the convertible bond and warrant program)

Financial non-IFRS measures

Name	Definition	Calculation	Purpose
Return on shareholders' equity (%)	Moving 12-month earnings attributable to owners of the Parent Company divided by average shareholders' equity	(Moving 12-month earnings attributable to owners of the Parent Company)/ (Average shareholders' equity)	Return on shareholders' equity measures the Group's return on the capital the owners have invested in the business and thereby how profitable the Group is for its shareholders
Return on total assets (%)	Moving 12-month operating income and financial income less exchange rate losses on financial items divided by average total assets	(Moving 12-month operating income + financial income – exchange rate losses on financial items)/ (Average total assets) x 1,000	Return on total capital shows the business's effectiveness independent from how the capital is financed. This measure is used to assess whether the Group's business generates an acceptable return on its resources
EBITDA	Operating income before depreciation, amortization and impairment losses	Operating income excluding depreciation, amortization and impairment losses See the calculation in "Reconciliation of operating income and adjusted EBITDA"	EBITDA is a measure of operating income before interest, taxes, depreciation, amortization and impairment losses and is used to monitor the operating activities. EBITDA is the measure that best coincides with cash flow

Financial non-IFRS measures, cont.

Name	Definition	Calculation	Purpose
EBITDA margin (%)	EBITDA divided by operating revenue	(EBITDA/Operating revenue) x 100 See “Calculation of EBITDA margin”	EBITDA in relation to operating revenue is used to measure the profitability of operations and shows the Group’s cost effectiveness
Shareholders’ equity per share	Shareholders’ equity attributable to owners of the Parent Company divided by the number of shares at the end of the period, excluding treasury shares	(Shareholders’ equity attributable to owners of the Parent Company)/ (Number of shares at the end of the period, excluding treasury shares) x 100	Shareholders’ equity per share measures the Group’s net value per share
Adjusted EBITDA	EBITDA excluding restructuring costs and other items affecting comparability	EBITDA excluding restructuring costs and other items affecting comparability. See “Reconciliation of operating income and adjusted EBITDA”	Adjusted EBITDA increases comparability by adjusting for restructuring costs, the effect of acquisitions/divestments and other nonrecurring items
Adjusted EBITDA margin (%)	Adjusted EBITDA divided by operating revenue	(Adjusted EBITDA/Operating revenue) x 100. See “Calculation of adjusted EBITDA margin”	Adjusted EBITDA in relation to operating revenue shows a more comparable measure of the profitability of operations and the Group’s cost effectiveness
Operating cash flow	Cash flow from operating activities and cash flow from investing activities excluding company acquisitions and divestments	Cash flow from operating activities + cash flow from investing activities – company acquisitions and divestments	Operating cash flow measures the cash flow that is generated before the effects of acquisitions and divestments, and cash flows attributable to the Company’s financing
Interest-bearing net debt excluding convertible bond and pension obligations	Borrowings less cash and cash equivalents and interest-bearing assets	Borrowings – cash and cash equivalents – interest-bearing assets. See “Reconciliation of interest-bearing net debt excluding convertible bond and pension obligations”	Interest-bearing net debt shows the Group’s liabilities to lenders less cash and cash equivalents and interest-bearing assets.
Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA	Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA	(Interest-bearing net debt excluding convertible bond and pension obligations)/ (EBITDA, 12 months). See “Calculation of interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times”	Net debt in relation to EBITDA gives an estimation of the Group’s capacity to reduce its debt. It represents the number of years it would take to pay back its loans if net debt and EBITDA were to remain constant, without taking into account cash flow pertaining to interest and tax
Debt/equity ratio (%)	Interest-bearing net debt excluding the convertible bond and pension obligations divided by shareholders’ equity, including non-controlling interests	(Interest-bearing net debt excluding the convertible bond and pension obligations)/ (Total shareholders’ equity)	The debt/equity ratio measures the extent to which the Group is financed by debt
Equity/assets ratio (%)	Shareholders’ equity including non-controlling interests divided by total assets	(Total shareholders’ equity)/ (Total assets)	The equity/assets ratio indicates how much the Group’s assets are financed by shareholders’ equity. The size of shareholders’ equity in relation to other liabilities describes the Group’s long-term ability to pay
Total operating expenses	Costs for production, sales, marketing, administration and product development, excluding depreciation, amortization and impairment losses	See “Reconciliation of operating expenses”	
Average total assets	Total assets for the last four quarters divided by four	(Total assets for the last four quarters)/4	
Average shareholders’ equity	Average shareholders’ equity attributable to owners of the Parent Company per quarter, based on the opening and closing balance for each quarter	(Average shareholders’ equity attributable to owners of the Parent Company per quarter (OB+CB)/2 for the last four quarters/4	

Other measures

Name	Definition	Calculation	Purpose
Average number of full-time employees	Calculated as the average of number of full-time employees at the start and end of the year	(Average number of full-time employees at the start and end of the year)/2	

Reconciliation Financial non-IFRS measures

Reconciliation of operating income and adjusted EBITDA

	SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
	Operating income	-9	25	-67	-664
+	Depreciation/amortization	40	57	228	219
+	Impairment losses	2	-10	12	873
=	**Total EBITDA**	**33**	**72**	**173**	**428**
	Items affecting comparability				
+	Restructuring costs	13	5	31	12
+	Other items affecting comparability	5	0	39	0
=	**Total adjusted EBITDA**	**51**	**77**	**243**	**440**

Calculation of EBITDA margin

		Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
	EBITDA	33	72	173	428
÷	Operating revenue	374	479	1,595	1,967
=	**EBITDA margin %**	**8.8**	**15.0**	**10.8**	**21.8**

Calculation of adjusted EBITDA margin

		Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
	Adjusted EBITDA	51	77	243	440
÷	Operating revenue	374	479	1,595	1,967
=	**Adjusted EBITDA margin %**	**13.6**	**16.1**	**15.2**	**22.4**

Reconciliation of operating expenses

	SEK M	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
	Production costs	-103	-117	-408	-440
+	Sales costs	-133	-181	-578	-674
+	Marketing costs	-21	-56	-169	-194
+	Administration costs	-73	-58	-271	-245
+	Product development costs	-53	-55	-229	-215
+	Deduction of depreciation	3	6	12	18
+	Deduction of amortization	37	51	216	201
=	**Operating expenses**	**-343**	**-410**	**-1,427**	**-1,549**

Reconciliation of interest-bearing net debt excluding convertible bond and pension obligations

	SEK M	Dec. 31 2017	Dec. 31 2016
	Borrowing	-828	-1,442
+	Finance lease	-10	-12
+	Other current interest-bearing receivables	0	0
+	Other non-current interest-bearing receivables[1)]	212	189
+	Cash and cash equivalents	51	48
=	**Interest-bearing net debt excluding convertible bond and pension obligations**	**-575**	**-1,217**

[1)] Included in financial assets. SEK 200 M pertains to pledged bank funds for future pension obligations, referred to as an enhanced pension guarantee. The remaining amount pertain to pledged bank funds as a security for leases in Norway and Finland and as guarantee against Volvo Finans.

Calculation of interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times

		Dec. 31 2017	Dec. 31 2016
-	Interest-bearing net debt excluding convertible bond and pension obligations	-575	-1,217
÷	EBITDA 12 month	173	428
=	**Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times**	**3.3**	**2.8**

Calculation of interest-bearing net debt excluding convertible bond and pension obligations/adjusted EBITDA 12 months, times

		Dec. 31 2017	Dec. 31 2016
-	Interest-bearing net debt excluding convertible bond and pension obligations	-575	-1,217
÷	Adjusted EBITDA 12 month	243	440
=	**Interest-bearing net debt excluding convertible bond and pension obligations/adjusted EBITDA 12 months, times**	**2.4**	**2.8**

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