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ENIRO'S BANK LOANS TO BE REPLACED BY BOND LOAN OFFERED TO THE COMPANY'S SHAREHOLDERS AT A SUBSTANTIAL DISCOUNT

The Board of Directors and some shareholders of Eniro AB (publ) ("Eniro") have drawn up a financing solution essentially entailing that Eniro's current bank loans will be replaced by a bond loan, and Eniro will simultaneously receive a liquidity injection.

The bonds will initially be subscribed for by Tedde Jeansson through Beata Intressenter AB ("Beata Intressenter") and thereafter offered primarily to Eniro's ordinary shareholders. The bonds will be offered at a substantial discount (approximately 32.87 per cent of the bond loan's nominal value). The discount is made possible by Beata Intressenter's agreement with Eniro's lending banks to purchase the bank loans at a discount.

The financing solution entails that all of Eniro's current bank loans, with a nominal value of SEK 925 million, will be converted into a bond loan with no negative effects on liquidity in the form of repayment or coupon payments until the end of 2021, supplemented with additional financing of approximately SEK 63.75 million. Combined with a possible agreement with the Pensions Registration Institute (PRI) regarding secured funds for the company's pension obligations, which is expected to provide Eniro with additional proceeds of approximately SEK 25 million over a period of two years, the best conditions will be created for Eniro to devote its full attention to the company's business in the coming years.

Pareto Securities is assembling an underwriter syndicate that can commit to selling the bonds, and binding commitments currently amount to approximately SEK 210 million. The underwriter syndicate includes Tedde Jeansson, Mats Arnhög (through MGA Placeringar AB), Ilija Batljan, Martin Bjäringer and Carl Rosvall. The agreement with the banks is subject to, inter alia, the bond offering being fully underwritten by 30 July 2018.

The Board of Eniro also proposes that an Extraordinary General Meeting renew the conversion offerings to holders of preference shares or convertible bonds respectively, enabling them to convert their instruments into Class A ordinary shares and thereby participate in the new financing solution by also being able to purchase bonds with priority from Beata Intressenter.

- "Eniro is now securing financing with no strain on liquidity until the end of 2021. This will create the best conditions for the Group to pursue its ongoing transition programme and fully implement the new business model, including product development in the digital area," says Joachim Berner, Eniro's Chairman.

- "In 2018, we will be rolling out our new customer offering in Sweden, Norway and Denmark, and thereby providing 100,000 small and medium-sized companies with powerful digital marketing tools

for the most essential channels – Eniro, Google and Facebook – as a subscription service,” says Örjan Frid, Eniro’s CEO.

The financing solution can be summarised as follows.

- Beata Intressenter acquires all of Eniro’s bank loans with a nominal value of approximately SEK 925 million for SEK 245 million.
- The bank loans are refinanced by Eniro issuing a Senior Secured Bond to Beata Intressenter with the same nominal value as the bank loans, supplemented with additional credit of SEK 63.75 million, amounting to a total of SEK 988.75 million.
- Beata Intressenter’s agreement with the banks regarding acquisition of all of Eniro’s bank loans is conditional upon inter alia the bond offering being fully underwritten by 30 July 2018 and that the banks are entitled to an additional purchase price for a period of 16 months under certain circumstances (see page 3 of this press release).
- The bond maturity dates will be extended by one year in relation to the bank loans and expire at the end of 2021. No repayment will be required over the life of the bonds. No coupon payments will initially be required on the bond loan. In 2021, the bond loan will have a coupon rate of 20 per cent, payable on the maturity date of the loan.
- Eniro intends to renew the conversion offerings to Eniro’s holders of preference shares or convertible bonds on the same terms as in 2017.
- As soon as Eniro’s conversion offering has been implemented, Beata Intressenter will offer the public in Sweden and some international investors an opportunity to buy all bonds, with priority for Eniro’s Class A ordinary shareholders pro rata to their existing holding in the share register on the record date (including additional ordinary shareholders who have accepted the renewed offering to holders of preference shares and convertible bonds).
- The price when Beata Intressenter offers the bonds has been set at SEK 325 million (equivalent to the amounts paid to the banks in addition to the extended credit and underwriting costs). This means that the bonds will be offered at a substantial discount amounting to approximately 32.87 per cent of the bond loan’s nominal value (SEK 325.00 million divided by SEK 988.75 million).
- The acceptance period for Beata Intressenter’s offering to Eniro’s ordinary shareholders is expected to commence around 11 September 2018. The acceptance period for Eniro’s conversion offering to holders of preference shares or convertible bonds is expected to commence on 21 August 2018.

Background

Since its recapitalisation in 2017, Eniro has continued its efforts to transition from a catalogue-based operation to a powerful digital marketing offering.

The new business model is based on a unique offering around local search and presence in the form of a subscription service targeting the company’s customer base of about 100,000 customers in Sweden, Norway and Denmark. In 2018, the offering is being extended to customers via a range of services that support small and medium-sized companies (SMEs) in their digital presence and activities in the most essential channels – including Eniro, Google and Facebook.

The business is performing according to plan, but with a slight delay. The company’s sales volumes are still declining, albeit at a lower rate than previously. The company’s liquidity remains strained. The new bank loan agreement signed in 2017 is also straining the company’s finances due to interest and loan repayment terms, as well as an extensive list of covenants. This is restricting the company financially, strategically and operationally, and limiting opportunities to address neglected product

development and marketing, and to implement other sales-promoting measures. Without the refinancing solution now negotiated, the company's long-term liquidity requirements would, in contrast, require further restraints in terms of pro-active measures which, in turn, would have given cause to reconsider the carrying amount of the company's operating assets.

The negotiated financing solution is based on offering Eniro's shareholders and other stakeholders an opportunity to buy bonds at a substantial discount, with a total nominal value corresponding to all outstanding bank loans, supplemented with an additional liquidity injection. The financing solution created will thereby enable Eniro to devote its full attention to the company's business over the next few years.

Acquisition of the bank loans

Beata Intressenter has signed an agreement with Eniro's lending banks to acquire all of Eniro's bank loans, nominally amounting to approximately SEK 925 million. The purchase price is SEK 245 million and payable upon completion of Beata Intressenter's bond offering, with priority for Eniro's Class A ordinary shareholders who are listed in the share register on the record date. The agreement with the banks is subject to Beata Intressenter obtaining commitments to sell the entire bond loan (SEK 325 million) by 30 July 2018 and that the entire transaction is fully executed by 30 October 2018. The bonds will be offered at a substantial discount and investors will pay approximately 32.87 per cent of the bond loan's nominal value (SEK 325.00 million divided by SEK 988.75 million). Pareto Securities is assembling an underwriter syndicate that can commit to selling the bonds that are offered. Binding commitments currently amount to approximately SEK 210 million. Beata Intressenter will pay the underwriters a fee of 5 per cent. Beata Intressenter is a company formed by Tedde Jeansson for this purpose. Tedde Jeansson is one of Eniro's major shareholders and owns approximately 4.4 per cent of the ordinary shares in the company. The underwriter syndicate includes Tedde Jeansson, Mats Arnhög (through MGA Placeringar AB), Ilija Batljan, Martin Bjäringer and Carl Rosvall.

Additional purchase price

The banks are entitled to an additional purchase price of SEK 245 million from Beata Intressenter for the transfer of bank loans, in addition to the purchase price paid, for a period of 16 months (the end of 2019). The right to an additional purchase price will be triggered by any of the following circumstances.

- Should a party acquire shares in Eniro corresponding to more than 30 per cent of the voting rights (change of control)
- Should Eniro or any of its Group companies dispose of total assets exceeding a threshold of SEK 325 million before the end of 2019. This threshold is adjusted upward by 25 per cent every year from date on which the acquisition of Eniro's bank loans is completed (preliminarily 30 September 2018) until the threshold date has passed.
- Should Eniro or any of its Group companies refinance the bond loan, or otherwise raise new loans exceeding a threshold of SEK 325 million. This threshold is also adjusted upward by 25 per cent every year.

In the event of a change of control, an additional purchase price will be payable at the nominal value of the bond loan less the threshold value of SEK 325 million; in the event of a sale of assets, at the total sales amount that exceeds the threshold value, and in the event of refinancing or raising new loans, at the amount received by the company that exceeds the threshold amount.

The additional purchase price is gradually reduced according to the following downward scale:

Number of months after completion of the bond offering	An additional purchase price will be paid to the banks with the following percentage of the excess amount
1	100%
2	100%
3	100%
4	100%
5	90%
6	90%
7	80%
8	80%
9	70%
10	70%
11	60%
12	50%
13	40%
14	30%
15	20%
16	10%
Subsequently	0%

Reduction of the Bond's nominal amount

Should a circumstance arise that triggers payment of the additional purchase price for Beata Intressenter's acquisition of bank loans, the nominal value of the bond loan will be reduced accordingly, and as the additional purchase price for its acquisition of bank loans from Beata Intressenter, Eniro will transfer the corresponding amount to Beata Intressenter that Beata Intressenter is required to pay to the banks as the additional purchase price.

The Bond offering

As soon as Eniro's conversion offerings have been implemented, Beata Intressenter will offer the public in Sweden and some international investors, with priority for Eniro's Class A ordinary

shareholders pro rata to their existing holding in the share register on the record date (including additional ordinary shareholders who have accepted the renewed offering to holders of preference shares and convertible bonds) an opportunity to buy all bonds. Bonds that are not sold in this manner will be offered to the underwriters.

The total price of the bonds is SEK 325 million, corresponding to Beata Intressenter's total costs for the bank loans, the extended credit to Eniro and transaction costs, including underwriting fees.

Every 71¹ ordinary shares entitle the holder to purchase a bond with a nominal value of SEK 1,000² for a purchase price of SEK 329.50.

Agreement with the PRI

Eniro currently has pledged accounts of SEK 200 million as security for the Group's mutual obligations to the Pensions Registration Institute (PRI). Under the previous agreement, the security would have been increased by an amount of SEK 7 million to SEK 207 million on 30 June 2018. Pending the refinancing and conversion of the bank loans into a bond loan, the PRI has confirmed to Eniro that they are prepared, under certain conditions, to grant a respite for the increase in security and to instead reduce the security to an amount of SEK 182 million over a 24-month period. As a result, an agreement with the PRI would provide temporary liquidity support of SEK 25 million. The documentation of the final terms of a contract with the PRI regarding agreement on alternative security to the PRI is yet to be completed.

The conversion offerings

Eniro proposes an Extraordinary General Meeting to resolve on renewed conversion offerings to all remaining holders of preference shares or convertible bonds.³

The conversion offerings are proposed to have the same conversion terms as those that applied for the conversion offerings in 2017. With consideration for the subsequent aggregation of shares in spring 2018, the conversion ratio will be rounded up to the nearest whole number of ordinary shares.

Each preference share is proposed to carry the right to 13 newly issued ordinary shares⁴. The subscription price has been set at SEK 4.01 per ordinary share⁵. The conversion offering will be designed as a buyback of preference shares on the condition that the purchase price is used as set-off against the subscription of ordinary shares. Based on the subscription price, the offering corresponds to a value of SEK 52.13 per preference share.

¹ The number of shares required to purchase a bond with a nominal value of SEK 1,000 is dependent on the rate of acceptance for Eniro's conversion offering. The number of shares specified here is based on full acceptance of the conversion offering. If the acceptance rate is lower, the number of ordinary shares required will be adjusted downward.

² The lowest nominal value that can be purchased is SEK 1,000.

³ The company has a total of 258,777 preference shares and convertible bonds outstanding, with a nominal value of SEK 29 million.

⁴ In the 2017 conversion offering, 1,290 ordinary shares were received for each preference share. Recalculated after aggregation, this corresponds to 12.9 shares, rounded up to 13 ordinary shares for each preference share.

⁵ The subscription price is calculated as the weighted average price over a five-day period preceding this press release.

Each convertible bond with a nominal value of SEK 100 carries the right to subscribe for three ⁶ new ordinary shares by offsetting. The subscription price is SEK 4.01. Based on the subscription price, the value of the offering is SEK 12.03 for each convertible bond with a nominal value of SEK 100.

The conversion offering is subject to adoption by an Extraordinary General Meeting of Eniro. Notice of the Extraordinary General Meeting, scheduled for 15 August 2018, will be announced pursuant to the provisions of the Swedish Companies Act. Should the General Meeting decide not to adopt the Board's proposed conversion offerings, the Board intends to implement other components of the financing solution.

Preliminary timetable

30 July 2018	Decision from Beata Intressenter regarding the underwriter syndicate
14 August 2018	Eniro submits Q2 report
15 August 2018	Extraordinary General Meeting of Eniro
17 August 2018	Publication of prospectus related to the conversion offerings from Eniro to holders of preference shares or convertible bonds
20 August 2018	Record date for the conversion offerings
21-29 August 2018	The acceptance period for the conversion offerings to holders of preference shares or convertible bonds
3 September 2018	Publication of prospectus related to the bond offering
7 September 2018	Record date for the right to acquire bonds from Beata Intressenter
11-21 September 2018	Application period for the acquisition of bonds from Beata Intressenter

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This information is such that Eniro AB (publ) is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 20 June 2018 at 2:30 p.m. CET.

Eniro is a leading search company for individuals and businesses in the Nordic region. Eniro Group has approximately 1,700 employees. The company is listed on Nasdaq Stockholm [ENRO], with approximately 14,000 shareholders at present and is head-quartered in Kista, Stockholm. Read more about Eniro at enirogroup.com, twitter.com/eniro, facebook.com/eniro.

This press release is available in English at www.enirogroup.com/en/press-releases.

Important information

This press release does not contain nor constitute an invitation or an offer to acquire, sell, subscribe for or otherwise trade in shares, subscription rights, bonds or other securities in Eniro. The invitation to sell preference

⁶ In the 2017 conversion offer, 290.3 ordinary shares were received for each convertible bond with a nominal value of SEK 100. After aggregation, this was recalculated to 2.903 and rounded up to three shares.

shares, subscribe for shares and purchase bonds in Eniro is only offered through the prospectuses that Eniro may publish on its website following approval and registration by the Swedish Financial Supervisory Authority and is only available to the persons to whom the prospectus is addressed. The prospectuses will contain, among other things, risk factors, financial statements as well as information regarding Eniro's Board. This press release has not been approved by any regulatory authority and is not a prospectus. Investors should not subscribe for or buy any securities referred to in this press release except on the basis of the information contained in the prospectuses that may be published.

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The press release may contain some future-looking information that reflects Eniro's current view of future events, as well as financial and operational trends. Words such as "refers to," "will," "considered," "expected," "may," "is planning," "estimates" and expressions other than historical facts that imply indications or predictions of future developments or trends constitute forward-looking statements. Forward-looking statements are inherently associated with both known and unknown risks and uncertainties because they depend on future events and circumstances. Forward-looking statements do not provide any guarantee of future performance or trends, and the actual outcomes may differ materially from those implied by such forward-looking statements.

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