eniro

INTERIM REPORT 2019

Q2 | 19

JANUARY – JUNE

SECOND QUARTER: APRIL – JUNE 2019

- Total operating revenue amounted to SEK 285 M (363), a decrease with 21%. Excluding Eniro Polska, which was divested in October 2018, the decrease is 8%.
- Restructuring costs amounted during the second quarter to SEK 12 M (0)
- EBITDA amounted to SEK 36 M (61). The EBITDA margin was 12.6% (16,8%).
- Net income for the period was SEK -25 M (-13).
- Earnings per ordinary share for the period were SEK -0.39 (-0.21) before and after dilution.
- New Board of Directors after the Annual General Meeting on 9 May 2019: re-election of Johnny Sommarlund, Magdalena Bonde and Henrik Salwén as well as new election of Arne Myhrman and Urban Hilding. Arne Myhrman was elected Chairman of the Board.
- Magdalena Bonde was appointed new President and CEO and will take office on 18 July 2019.
- An agreement concerning the divestment of Proff was signed on 20 May 2019. The buyers were Asiakastieto Group Plc. and UC AB. The purchase consideration amounted to SEK 120 M and interest of approximately SEK 3 M. The transaction was completed in July 2019.
- In accordance with the resolution of the Annual General Meeting, the share capital in Eniro AB was reduced by SEK 557 M to approximately SEK 641 M for covering of accumulated loss. The reduction did not result in any shares being retired, which meant that the quota value of the shares declined.

HALF YEAR: JANUARY – JUNE 2019

- Total operating revenue amounted to SEK 560 M (717), a decrease with 22%. Excluding Eniro Polska, the decrease is 9%.
- EBITDA decreased by 45% to SEK 60 M (109). The EBITDA margin was 10.7% (15.2%).
- Net income for the period was SEK -63 M (-10).
- Earnings per ordinary share for the period were SEK -0.98 (-0.18) before and after dilution.

EVENTS AFTER THE END OF THE REPORTING PERIOD

- The divestment of the Proff companies to Asiakastieto Group Plc. and UC AB was completed on 1 July 2019, upon which a cash consideration of SEK 120 M and an interest payment of approximately SEK 3 M were received.

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jul-Jun 2018/19	Jan-Dec 2018
Operating revenue	285	363	560	717	1,236	1,393
EBITDA	36	61	60	109	157	206
Adjusted EBITDA	35	60	47	109	147	209
Operating income	-8	22	-28	31	-572	-513
Net income for the period	-25	-13	-63	-10	-641	-588
Cash flow from operating activities	-3	20	6	9	42	45
Interest-bearing net debt excluding convertible bond and pension obligations	-988	-830	-988	-830	-988	-822

Eniro is a Digital marketing- and On-line 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, directory assistance and SMS services. Each week Eniro Group's digital services have about six million unique visitors. Eniro Group has about 1,100 employees and operations in Sweden, Norway, Denmark and Finland. The company is listed on Nasdaq Stockholm [ENRO] and headquartered in Stockholm. More on Eniro at enirogroup.com.

CEO's comments

New CEO takes over a "new" Eniro

After three years as CEO, it is now time for me to hand over the reins to Magdalena Bonde. Magdalena has been a member of the Board of Directors since 2018 and knows the company well, so I expect the handover to be seamless.

The three years with the company have been intense, with two rounds of recapitalisation, challenging bank negotiations, extensive business development and financial solutions that have given Eniro the financial resources to renew and modernise its business.

Eniro operates in the growing market for digital marketing, where the company is positioning itself to attract small and medium-sized companies with a need for digital marketing.

Eniro has highly competitive offerings for all companies with a need for efficient, high-quality online marketing. In addition to our classic advertising solution through Eniro's own channels, we also offer search-engine optimised and mobile-friendly websites as well as advertising via **Google** and **Facebook**. Eniro uses "***Närvarokollen***" to ensure that all online data about its customers is correct on all relevant websites. **Market Place** also gives small business owners access to cost-efficient, targeted advertisements in popular news media.

Eniro works with the leading, rapidly growing companies in digital advertising: **Google** and **Facebook**. Customers are now able to see the effect of their investments in digital marketing via Eniro's interface.

The sale of the Proff companies generated favourable liquidity for Eniro, which – combined with a focus on its digital media business – has provided Eniro with an opportunity to secure a position as the natural digital marketing partner of small and medium-sized companies', a unique position that will lay the foundation for a new, exciting future for Eniro's operations.

The overhaul of Eniro

Gone is the old catalogue company and in its place is a modern provider of digital marketing services. Our bona fide expertise and experience of search engine marketing, which has been built up and honed over many years, has now been translated into digital marketing. This expertise has been supplemented with modern offerings and partnerships with Google, Facebook, Mono Solutions, Yext and other industry leaders.

Eniro currently meets the digital marketing needs of a large number of companies. Customers need the right information and updated websites. They must be searchable in all relevant search engines and they need their digital advertisements to reach their selected target groups in a cost-efficient and simple manner.

This gives customers the chance to make the right choice, to test various solutions and see what works best, and to boost their business online.

During 2019, we will continue to build "the new Eniro." The challenge lies in the fact that this offering is still relatively unknown in the market. Over the coming year, Eniro will therefore increase our communication with the market in order to present our new position and explain what we can do for our customers.

Eniro's new offering will give its sales representatives the right tools to provide efficient solutions focusing on customer value. Thanks to this strong offering, we are attracting a growing number of sales representatives who want to be part of our exciting future.

Performance in the second quarter

During the second quarter, we see concrete results from previously implemented and ongoing development and change work.

For the first time in many years, the sales exceeded one quarter for the corresponding quarter last year on our largest market Sweden. It is a breakthrough that we have worked hard to achieve.

This is a good acknowledgment that the strategy we implemented to reverse the company works and the fact that Sweden, which was first in the implementation of the new strategy, now turns, strengthens the expectation that Norway and Denmark soon will be able to turn around too. After many years of decline we now see the potential of the new business. The changeover to an attractive media advisor for small and medium-sized companies has provided motivation and created future confidence in the company. During the autumn, we will increase our communication to the market and intensify our customer dialogue in order to create even higher value for our customers.

There is a delay before the turnaround of sales that we now see in the market is converted into increased revenues. Revenues during the second quarter was somewhat weaker than expected, but EBITDA developed according to plan. Our stable Cash and Bank now means that we can be offensive and increase our sales activities.

Proff

Proff, our B2B unit, has been sold to Asiakastieto and the transaction was completed on 1 July 2019. Proff continued to deliver favourable results during the sale period. We are pleased to hand over Proff – a small, well-managed unit with operations in three countries – to Asiakastieto, a company that has what it takes and is looking forward to further developing Proff's operations. The sale is good for both Eniro and Proff.

Voice

Our Voice services are performing well. The dwindling directory information business in Sweden, Norway and Finland is declining, but not at the same pace as previously. The performance of our contact centre operations in Finland and Sweden, which were manifested through the acquisition of Elisa's contact centre business in Finland in 2018, is offsetting the effects of the declining market for directory information services and making our Voice services more stable, primarily in Finland. While the profitability of these operations is not as high as our directory information services, they provide favourable sales and earnings.

Sales and earnings

Operating revenue for the second quarter amounted to SEK 285 M (363), corresponding to a decline of 21% compared with the same period a year ago. EBITDA for the second quarter amounted to SEK 36 M (61). However, the work to reduce the cost base remains successful and the EBITDA margin amounted to 12.6% (16.8%).

2019 – an exciting year!

Although the transformation of Eniro has taken longer time than expected, our new offerings are now being well received and our order bookings are increasing. I remain convinced that Eniro has what it takes to achieve both growth and profitability in its core operations.

It has been a challenging and difficult process, but the conditions are now in place to achieve what we have long aimed to achieve: a growing Eniro in a growing market.

The next step will be to expand our marketing initiatives in order to provide our customers with a better understanding of what Eniro can offer, thereby strengthening our operations and creating satisfied customers.

Customer satisfaction has been my main focus during the three years at the company and I think that all of us at Eniro would say that the work on improving customer satisfaction now permeates the entire organisation. This bodes well for the future and I feel confident handing over the reins to Magdalena Bonde.

Kista, July 18, 2019

Örjan Frid, President and CEO

Second quarter results 2019

Revenue

Operating revenue for the second quarter amounted to SEK 285 M (363), a decrease of 21%.

Currency effects on revenue were SEK 4 M (13).

Geographically, operating revenue is broken down into Sweden SEK 106 M (123), Norway SEK 71 M (87), Denmark SEK 47 M (50), Finland SEK 61 M (51), and Poland SEK 0 M (52).

Digital marketing

Digital marketing includes the On-line search and Complementary digital marketing products revenue categories. Eniro's On-line search services are among the most visited sites in their respective markets and include eniro.se, gulesider.no, krak.dk, dgs.dk 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 contain business information were included in Eniro's business until 1 July 2019.

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 marketing amounted to SEK 205 M (285), a decrease of 28%. Of operating revenue, SEK 158 M (242) came from Online-search SEK 47 M (43) from Complementary digital marketing products.

Eniro has a 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.

The transition to the new strategy of a broadened product offering and subscription-based contracts continues. Collectively, more than 95 % of the customer base in Sweden, Norway, and Denmark has changed to the new subscription-based contracts.

In the preceding year, Finland initiated sales of digital marketing under the 0100100 trademark. During the start-up, this operation was jointly recognized with Voice. Since the business has grown, it has now been separated and is recognized under digital marketing.

Market and traffic

Digital marketing currently accounts for approximately 50% of the media market in Sweden and according to IRM's forecasts for 2019, the expectation is that this will grow further by more than 9%. Each week, Eniro's sites in Sweden, Norway, and Denmark have about six million unique visitors. This creates favorable conditions for Eniro's future development.

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 On-line 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.

In addition, the new business model is subscription based. The goal is that the sales staff will be able to increase focus on demonstrating the strength and advantages of Eniro's new offering to both new and existing customers.

Sales and customer base development

The total number of customers for "*Digital marketing*" in the three Scandinavian countries amounted to approximately 76,000. At the beginning of the quarter, the number of customers amounted to approximately 80,000 and the customer base thus declined by approximately 5% during the quarter.

The sales organization has successively been 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 adaptions, which has led to a more efficient organization and a focus on growth, competence and customer value.

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. 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 80 M (78), an increase of 3%.

Market volumes for directory information services continue to decline due to 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 business, a development that is also occurring to some extent in Sweden.

Operating income

EBITDA for the Group was SEK 36 M (61), corresponding to an EBITDA margin of 12.6% (16.8%).

EBITDA is broken down as follows: SEK 26 M (49) pertained to Digital marketing, SEK 15 M (20) pertained to Voice, and SEK -5 M (-8) pertained to other Group functions.

The Group's operating expenses, that is, expenses excluding amortization and impairment losses, totaled SEK -251 M (-303), where expenses for the period include SEK -1 M (-1) in items affecting comparability. Of these, SEK -12 M (0) pertained to restructuring costs, SEK 13 M (0) IFRS 16 and SEK 0 M (-1) other items.

After adjustment for items affecting comparability, adjusted EBITDA for the Group amounted to SEK 35 M (60), a decrease of 42%. The adjusted EBITDA margin was 12.3% (16.5%).

After amortization and impairment losses totaling SEK -44 M (-39), consolidated operating income amounted to SEK -8 M (22).

Amortization and impairment losses

The Group's total amortization amounted to SEK -44 M (-37) during the second quarter of 2019. Amortization of the *Gule Sider* trademark totaled SEK -13 M (-15) and the amortization of the Krak trademark totaled SEK -2 M (-3).

The remaining amortization of SEK -29 M (-19) consists mainly of amortization of capitalized costs for product development and on right-of-use assets according to IFRS 16.

Testing of the value of all of the group's intangible assets is conducted annually or when indications of significant changes in assumption have been identified. In conjunction with the work on its interim report, the company did not conduct a renewed impairment test of the carrying amount of the group's operating assets.

Net financial items

Net financial items amounted to SEK -22 M (-11). Net financial items comprise: net interest expense SEK -23 M (-14) and exchange rate differences SEK 1 M (3).

Income before tax, and reported tax

Income before tax amounted to SEK -30 M (11). Reported tax totaled SEK 5 M (-24).

Net income for the period and earnings per ordinary share

Net income for the period was SEK -25 M (-13). Earnings per ordinary share were SEK -0.39 (-0.21) before and after dilution.

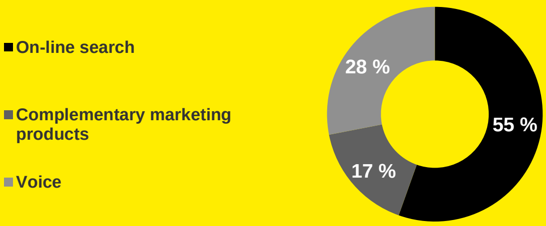
REVENUE Q2 2019

SEK 285 M

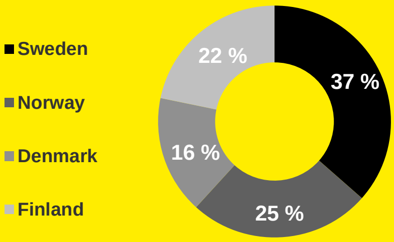
EBITDA Q2 2019

SEK 36 M

GROUP REVENUE PER CATEGORY Q2 2019



GROUP REVENUE PER COUNTRY Q2 2019



First half-year results 2019

Revenue

Operating revenue for the amounted to SEK 560 M (717), a decrease of 22%.

Currency effects on revenue were SEK 10 M (19).

Geographically, operating revenue is broken down into Sweden SEK 211 M (251), Norway SEK 143 M (179), Denmark SEK 91 M (100), Finland SEK 115 M (85), and Poland SEK 0 M (102).

Digital marketing

Operating revenue from Digital marketing amounted to SEK 407 M (575), a decrease of 29%. Of operating revenue, SEK 320 M (492) came from On-line search and SEK 87 M (83) from Complementary digital marketing products.

Voice

Operating revenue from Voice amounted to SEK 153 M (142), an increase of 8%.

Operating income

EBITDA for the Group was SEK 60 M (109), corresponding to an EBITDA margin of 10.7% (15.2%). EBITDA is broken down as follows: SEK 49 M (98) pertained to Digital marketing, SEK 24 M (27) pertained to Voice, and SEK -13 M (-16) pertained to other Group functions.

The Group's operating expenses, that is, expenses excluding amortization and impairment losses, totaled SEK -504 M (-612), where expenses for the period include SEK -13 M (0) in items affecting comparability. Of these, SEK 12 M (1) pertained to restructuring costs, SEK -25 M (0) IFRS 16 and SEK 0 M (-1) other items.

After adjustment for items affecting comparability, adjusted EBITDA for the Group amounted to SEK 47 M (109), a decrease of 57%. The adjusted EBITDA margin was 8.4% (15.2%).

After amortization and impairment losses totaling SEK -88 M (-78), consolidated operating income amounted to SEK -28 M (31).

Amortization and impairment losses

The Group's total amortization amounted to SEK -88 M (-76) during the first half-year of 2019. Amortization of the *Gule Sider* trademark totaled SEK -28 M (-29) and the amortization of the Krak trademark totaled SEK -5 M (-6).

The remaining amortization of SEK -55 M (-41) consists mainly of amortization of capitalized costs for product development and on right-of-use assets according to IFRS 16.

Net financial items

Net financial items amounted to SEK -38 M (-25). Net financial items comprise: net interest expense SEK -46 M (-28) and exchange rate differences affected net financial items by SEK 8 M (3).

Income before tax, and reported tax

Income before tax amounted to SEK -66 M (6). Reported tax totaled SEK 3 M (-16).

Net income for the period and earnings per ordinary share

Net income for the period was SEK -63 M (-10). Earnings per ordinary share were SEK -0.98 (-0.18) before and after dilution.

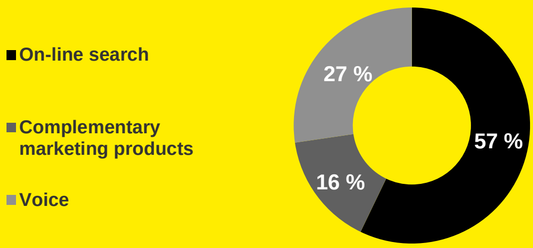
REVENUE YTD 2019

SEK 560 M

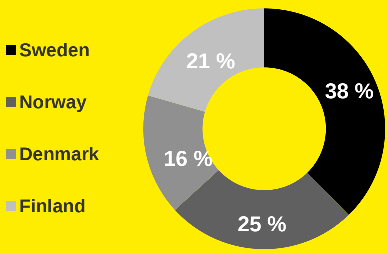
EBITDA YTD 2019

SEK 60 M

GROUP REVENUE PER CATEGORY YTD 2019



GROUP REVENUE PER COUNTRY YTD 2019



Operating revenue by category and operating segment

SEK M	Apr-Jun 2019	Apr-Jun 2018	%	Jan-Jun 2019	Jan-Jun 2018	%	Jul-Jun 2018/19	Jan-Dec 2018
On-line search	158	242	-35	320	492	-35	748	920
Complementary digital marketing products	47	43	9	87	83	5	178	174
Digital marketing	**205**	**285**	**-28**	**407**	**575**	**-29**	**926**	**1,094**
Voice	80	78	3	153	142	8	310	299
Total revenue	**285**	**363**	**-21**	**560**	**717**	**-22**	**1,236**	**1,393**

Reconciliation of operating income and adjusted EBITDA

SEK M	Apr-Jun 2019	Apr-Jun 2018	%	Jan-Jun 2019	Jan-Jun 2018	%	Jul-Jun 2018/19	Jan-Dec 2018
Operating income	-8	22		-28	31		-572	-513
Depreciation/amortization	44	37	19	88	76	16	158	146
Impairment losses	-	2		-	2		571	573
Total EBITDA	**36**	**61**	**-41**	**60**	**109**	**-45**	**157**	**206**
Whereof Digital marketing	26	49	-47	49	98	-50	125	174
Whereof Voice	15	20	-25	24	27	-11	53	56
Whereof Other	-5	-8	38	-13	-16	19	-21	-24
EBITDA margin %	***12.6***	***16.8***		***10.7***	***15.2***		***12.7***	***14.8***
Items affecting comparability								
Restructuring costs	12	-		12	1		13	2
Other items affecting comparability 1)	-13	-1		-25	-1		-23	1
Total adjusted EBITDA	**35**	**60**	**-42**	**47**	**109**	**-57**	**147**	**209**
Adjusted EBITDA margin %	***12.3***	***16.5***		***8.4***	***15.2***		***11.9***	***15.0***

1) Refers to IFRS 16 Leases, that was not reported as other items affecting comparability in the interim report for quarter 1. When we now in quarter 2 has decided to report it as other items affecting comparability we have made an adjustment of quarter 1 retroactively so that the whole effect does not affect quarter 2.

Interest-bearing net debt excluding convertible bond and pension obligations

SEK M	Note	Jun. 30 2019	Jun. 30 2018	Dec. 31 2018
Borrowing		-1,027	-863	-993
Lease liability		-126	-9	-8
Other non-current interest-bearing receivables 1)		10	13	14
Cash and cash equivalents		155	29	165
Interest-bearing net debt excluding convertible bond and pension obligations 2)		**-988**	**-830**	**-822**

1) The amount pertain to pledged bank funds as a security for leases in Norway and Finland.
2) In addition to interest-bearing debt Eniro has SEK 182 M (200) pertains to pledged bank funds for future pension obligation.

Cash flow and financial position

Financial position

Total assets in the Group amounted to SEK 2,824 M (3,386), a decrease of 16%.

Intangible assets amounted to SEK 1,946 M (2,625), of which SEK 1,496 M (2,067) pertained to goodwill.

The Group's interest-bearing net debt excluding the convertible bond and pension obligations amounted to SEK 988 M (830) as per June 30.

The Group's indebtedness, expressed as interest-bearing net debt excluding the convertible bond and pension obligations in relation to EBITDA, was 6.3 (3.9) as of June 30.

As per June 30, the Group's outstanding net debt under existing credit facilities was NOK 0 M (199), DKK 0 M (42) and SEK 1,027 M (626). Cash and cash equivalents amounted to SEK 155 M (29).

The convertible bond is reported at cost and amounted to SEK 28 M (26) as per June 30.The nominal debt at the same point in time was SEK 29 M (29), entailing that 471 (471) of the total 500 convertibles have been converted to ordinary shares.

The Group's pension obligations amounted to SEK 710 M (550) at June 30. See also note 5.

Eniro has credit insurance with *PRI Pensionsgaranti* (PRI) which remains in force until September 30, 2020. Eniro has pledged bank funds for future obligations (a so-called enhanced pension guarantee). As per June 30, 2019, total pledged funds amounted to SEK 182 M (200), including returns. Pledged funds including returns are recognized as Other long-term interest-bearing receivables.

Contract liabilities amounted to SEK 297 M (451) at the end of the period. Contract liabilities arises mainly in the On-line search segments, where certain customers pay one year in advance. The 34% decrease compared with June 30, 2018, is mainly attributable to the divestment of the Polish operation, but also lower sales.

Cash flow

Cash flow from operating activities was SEK 6 M (9). Lower EBIT of SEK -28 M (31) and a negative change in working capital of SEK-55 M (-49), whereof SEK -10 M (-20) exchange rate effect, were encountered by better financial items of SEK 0 M (-10) continued low tax payments of SEK -3 M (-16) and better other non-cash items of SEK 4 M (-25), which mainly pertain to changes in provisions.

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

Cash flow from investing activities amounted to SEK -10 M (-52), where net investments in operations amounted to SEK -10 M (-52).

Cash flow from financing activities amounted to SEK -2 M (23). During the half-year, new borrowing amounted to SEK 0 M (34), while amortizations totaled SEK 0 M (-10). Rights issue amounted to SEK 0 M (2). Dividends to minority shareholders amounted to SEK -2 M (-3).

Cash flow for the period amounted to SEK -6 M (-20).

Divestments

On 20 May, Eniro and Asiakastieto Group Plc., together with its Swedish subsidiary UC AB, entered into an agreement concerning the transfer of Proff, Eniro's search service for B2B information and corporate financial information operations in Scandinavia. The purchase consideration amounted to SEK 120 M, with the addition of a 5% per annum interest rate calculated as of 1 January 2019 until the date of transfer, which took place on 1 July 2019. The divestment is in line with Eniro's strategy to focus on digital marketing services in the Nordic area.

The full outcome of the transaction will be recognized in Eniro's third-quarter report in October.

Parent Company

Operating revenue amounted to SEK 13 M (9), which pertains to intra-Group services. Income for the period was SEK -43 M (-11). At June 30, the Parent Company's equity amounted to SEK 598 M (1,426), of which unrestricted equity amounted to SEK -43 M (229).

In accordance with the Annual General Meeting's resolution on 9 May 2019, the share capital in Eniro AB was reduced by SEK 557 M to approximately SEK 641 M for covering of accumulated loss. The reduction was made without retirement of shares, which means an unchanged number of shares of 66,832,187, and that the quota value of the shares thus has been reduced to approximately SEK 9.59 per share.

The Annual General Meeting on 9 May 2019, also resolved to reduce the share capital of Eniro AB for transfer to unrestricted equity with approximately SEK 588 M to approximately SEK 53.5 MSEK, without cancelation of shares, entailing further reduction of the quota value of the shares to SEK 0.80 per share. Implementation of the reduction presupposes authorization from the Swedish Companies Registration Office, but authorization has not yet been obtained, which is why the reduction has not yet been implemented.

Shares and holdings of treasury shares

As of June 30, the total number of shares was 66,832,187, of which 66,573,410 are ordinary Class A shares and 258,777 are preference shares. The total number of votes as per June 30, was 66,599,287.7, of which ordinary Class A shares correspond to 66,573,410 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 67,039,506.

Eniro held 20,405 treasury shares on June 30, 2019, of which 17,037 are ordinary Class A shares and 3,368 preference shares. The average holding of treasury shares during the period was 17,037.

Other information

Dividend
The Annual General Meeting 2019, decided not pay any dividends – neither for ordinary nor preference shares.

Annual Report 2018
Eniro's 2018 Annual Report is available on the company's website www.enirogroup.com.

Reduction of share capital
The Annual General Meeting on 9 May 2019 made two resolutions on the reduction of Eniro AB's share capital. The first resolution pertained to the reduction of share capital by SEK 557 M for covering of accumulated loss without retirement of shares and was registered with the Swedish Companies Registration Office. After this reduction the share capital amounts to approximately SEK 641 M, with unchanged number of shares, 66,832,187, which means that the quota value per share is reduce to approximately SEK 9.59 per share.

The second resolution, which requires authorization from the Swedish Companies Registration Office to be enforced, pertained to the reduction of the share capital by approximately SEK 588 M to approximately SEK 53.5 M for transfer to unrestricted equity, without the retirement of shares, leading to an additional reduction in the quota value of the shares to SEK 0.80 per share. Implementation of the reduction requires the authorization of the Swedish Companies Registration Office. The company has applied for such an authorization, but approval has not yet been obtained.

To enable the second reduction of approximately SEK 588 M, the Annual General Meeting also resolved on an amendment of the Articles of Association such that the limits for share capital are to be not less than SEK 50,000,000 and not more than SEK 200,000,000, and that the limits for the number of shares shall amount to not less than 60,000,000 shares and not more than 240,000,000 shares.

Employees
Full-time employees at the end of the period

	Jun. 30 2019	Jun. 30 2018
Sweden	189	230
Norway	144	157
Denmark	111	119
Finland	28	20
Poland	25	549
Digital marketing	**497**	**1,075**
Sweden	57	62
Norway	21	23
Finland	256	234
Voice	**334**	**319**
Total Group	**831**	**1,394**

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 2018 Annual Report, pages 30-31.

Risks and uncertainties in the annual risk analysis that are judged to potentially affect the Group's performance in 2018 are related to high personnel turnover and higher competition from global actors in local search, a lack of digital expertise among the sales representatives, difficulties in conveying customer benefit, as well as liquidity and financing risks.

New Board
The Annual General Meeting on May 9, 2019 resolved in accordance with the Nomination Committee's recommendations to re-elect Board member Johnny Sommarlund, Henrik Salwén, and Magdalena Bonde and to elect Arne Myhrman and Urban Hilding as new Board members. The Meeting also resolved to elect Arne Myhrman as Chairman of the Board.

Cost for outgoing CEO
The contract with CEO Örjan Frid contains a mutual period of notice of six months. Örjan Frid is not entitled to severance pay. The total cost of remuneration to Örjan Frid during the notice period will be SEK 2.4 million.

Events after the end of the reporting period
On May 20, 2019, Eniro and Asiakastieto Group Plc. together with its Swedish subsidiary UC AB entered into an agreement about the sale of Proff, Eniro's B2B and financial search operations in Scandinavia. The purchase consideration for the acquisition amounting to SEK 120 M, was paid in cash in one installment. A five percent per annum interest calculated for the period between 1 January 2019 and 1 July 2019 in the amount of approximately SEK 3 M was added to the purchase consideration. The transaction was completed on July 1, 2019. The divestment is in line with Eniro's strategy to focus on digital marketing services in the Nordic area.

Review report
This six-month report has not been reviewed by auditors.

Disclosure
The information in this report is such that Eniro AB (publ) is obligated to disclose pursuant to EU Market Abuse Regulation and the Securities Markets Act. This information was submitted for publication, by agency of the contact persons below, at 8:30 CET on July 18, 2019.

Kista, July 18, 2018

Örjan Frid

President and CEO

Assurance by the Board of Directors and CEO

The Board of Directors and CEO hereby provide assurance that the six-month report provides a fair overview of the Parent Company and the Group's operations, position and earnings, and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Kista, July 18, 2019

Arne Myhrman *Chairman*	Örjan Frid *CEO*	Johnny Sommarlund *Board Member*	Magdalena Bonde *Board Member*
Henrik Salwén *Board Member*	Johnny Sommarlund *Board Member*	Katarina Emilsson *Employee Representative*	Fredrik Haak *Employee Representative*

FOR FURTHER INFORMATION, PLEASE CONTACT:

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President and CEO
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CFO
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FINANCIAL CALENDAR

Interim report Jan-Sep 2018	October 29, 2019
Year-end report 2019	February 2019

Consolidated accounts

Consolidated income statement

SEK M	Note	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jul-Jun 2018/19	Jan-Dec 2018
Operating revenue		**285**	**363**	**560**	**717**	**1,236**	**1,393**
Production costs		-102	-100	-202	-192	-409	-399
Sales costs		-92	-123	-181	-258	-407	-484
Marketing costs		-24	-26	-48	-53	-96	-101
Administration costs		-52	-52	-102	-107	-208	-213
Product development costs		-25	-39	-59	-78	-125	-144
Other income/costs		2	1	4	4	8	8
Impairment of non-current assets		-	-2	-	-2	-571	-573
Operating income	2	**-8**	**22**	**-28**	**31**	**-572**	**-513**
Financial items, net		-22	-11	-38	-25	-80	-67
Income before tax		**-30**	**11**	**-66**	**6**	**-652**	**-580**
Income tax		5	-24	3	-16	11	-8
Net income		**-25**	**-13**	**-63**	**-10**	**-641**	**-588**
Of which, attributable to:							
Owners of the Parent Company		-26	-14	-65	-12	-645	-592
Non-controlling interests		1	1	2	2	4	4
Net Income		**-25**	**-13**	**-63**	**-10**	**-641**	**-588**
Earnings per ordinary share before dilution, SEK	3	-0.39	-0.21	-0.98	-0.18	-9.69	-8.91
Earnings per ordinary share after dilution, SEK	3	-0.39	-0.21	-0.98	-0.18	-9.69	-8.91
Average number of ordinary shares before dilution, 000s		66,556	66,423	66,556	66,326	66,547	66,433
Average number of ordinary shares after dilution, 000s		66,763	66,888	66,763	66,791	66,754	66,898
Preference shares on closing date, 000s		259	259	259	259	259	259

Consolidated statement of comprehensive income

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jul-Jun 2018/19	Jan-Dec 2018
Net income	**-25**	**-13**	**-63**	**-10**	**-641**	**-588**
Other comprehensive income						
Items that cannot be reclassified to income statement						
Revaluation of pension obligations	-50	-68	-140	-35	-158	-53
Tax attributable to revaluation pension obligations	11	15	30	8	34	12
Total	**-39**	**-53**	**-110**	**-27**	**-124**	**-41**
Items that have been or can be reclassified to the income statement						
Exchange rate differences	10	19	27	69	-38	4
Hedge of net investments	0	-8	0	-23	1	-22
Tax attributable to hedge of net investments	0	2	0	5	0	5
Total	**10**	**13**	**27**	**51**	**-37**	**-13**
Other comprehensive income, net after tax	***-29***	***-40***	***-83***	***24***	***-161***	***-54***
Total comprehensive income	**-54**	**-53**	**-146**	**14**	**-802**	**-642**
Of which, attributable to:						
Owners of the Parent Company	-56	-55	-150	8	-805	-647
Non-controlling interests	2	2	4	6	3	5
Total comprehensive income	**-54**	**-53**	**-146**	**14**	**-802**	**-642**

Consolidated balance sheet

SEK M	Note	Jun. 30 2019	Jun. 30 2018	Dec. 31 2018
Assets				
Non-current assets				
Right-of-use assets		115	-	-
Other tangible assets		10	16	14
Intangible assets		1,946	2,625	1,948
Deferred tax assets		197	172	164
Financial assets		237	259	241
Total non-current assets		**2,505**	**3,072**	**2,367**
Current assets				
Contract assets		32	70	35
Accounts receivable - trade		74	167	88
Current tax assets		14	15	12
Other current receivables		44	33	25
Cash and cash equivalents		155	29	165
Total current assets		**319**	**314**	**325**
TOTAL ASSETS		**2,824**	**3,386**	**2,692**
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital		641	1,197	1,198
Additional paid in capital		5,829	5,829	5,829
Reserves		-302	-266	-327
Retained earnings		-5,960	-5,744	-6,342
Shareholders' equity, owners of the Parent Company		**208**	**1,016**	**358**
Non-controlling interests		41	42	39
Total Shareholders' equity		**249**	**1,058**	**397**
Non-current liabilities				
Borrowing		1,027	777	993
Lease liabilities		90	7	-
Convertible bond		28	26	27
Deferred tax liabilities		129	134	130
Pension obligations	5	710	550	566
Other non-current liabilities		10	25	16
Total non-current liabilities		**1,994**	**1,519**	**1,732**
Current liabilities				
Accounts payable - trade		37	57	45
Current tax liabilities		8	0	7
Accrued liabilities		130	142	112
Contract liabilities		297	451	321
Other current liabilities		59	62	64
Provisions		14	9	6
Borrowing		-	86	-
Lease liabilities		36	2	8
Total current liabilities		**581**	**809**	**563**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,824**	**3,386**	**2,692**

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, 2018	**1,192**	**5,829**	**-313**	**-5,702**	**1,006**	**39**	**1,045**
Total comprehensive income	-	-	47	-39	8	6	**14**
Set-off issue of issue expenses	5	-	-	-3	2		**2**
Dividend non-controlling interest	-	-	-	-	-	-3	**-3**
Closing balance, June 30, 2018	**1,197**	**5,829**	**-266**	**-5,744**	**1,016**	**42**	**1,058**
Opening balance, January 1, 2018	**1,192**	**5,829**	**-313**	**-5,702**	**1,006**	**39**	**1,045**
Total comprehensive income	-	-	-14	-633	-647	5	**-642**
Set-off issue of issue expenses	5	-	-	-3	2	-	**2**
Set-off issue	1	-	-	-1	0	-	**0**
Advisory expenses	-	-	-	-3	-3	-	**-3**
Dividend non-controlling interest	-	-	-	-	-	-5	**-5**
Closing balance, December 31, 2018	**1,198**	**5,829**	**-327**	**-6,342**	**358**	**39**	**397**
Opening balance, January 1, 2019	**1,198**	**5,829**	**-327**	**-6,342**	**358**	**39**	**397**
Total comprehensive income	-	-	25	-175	-150	4	**-146**
Reduction of the share capital	-557	-	-	557	-	-	**-**
Dividend non-controlling interest	-	-	-	-	-	-2	**-2**
Closing balance, June 30, 2019	**641**	**5,829**	**-302**	**-5,960**	**208**	**41**	**249**

Consolidated statement of cash flows

SEK M	Note	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jul-Jun 2018/19	Jan-Dec 2018
Operating income		**-8**	**22**	**-28**	**31**	**-572**	**-513**
Adjustments for							
Depreciation, amortization and impairment		44	39	88	78	729	719
Capital gain/loss and other non-cash items		5	-11	4	-25	-4	-33
Financial items, net		0	-4	0	-10	-26	-36
Income tax paid		-4	-10	-3	-16	2	-11
Cash flow from operating activities before changes in working capital		**37**	**36**	**61**	**58**	**129**	**126**
Changes in working capital		-40	-16	-55	-49	-87	-81
Cash flow from operating activities		**-3**	**20**	**6**	**9**	**42**	**45**
Acquisitions/divestments of Group companies and other assets		-	-	-	-	16	16
Investments in non-current assets, net		-6	-42	-10	-52	-24	-66
Cash flow from investing activities		**-6**	**-42**	**-10**	**-52**	**-8**	**-50**
Proceeds from borrowings		-	22	-	34	997	1,031
Repayment of borrowings		-	-5	-	-10	-915	-925
Long-term investments		-	-	-	-	18	18
Dividend on preference shares		-	-	-	-	-	-
Dividend non controlling interests		0	-	-2	-3	-4	-5
Rights issue		-	2	-	2	-	-
Cash flow from financing activities		**0**	**19**	**-2**	**23**	**96**	**119**
Cash flow for the period		**-9**	**-3**	**-6**	**-20**	**130**	**114**
Cash and cash equivalents at start of period		**164**	**33**	**165**	**51**	**29**	**51**
Cash flow for the period		-9	-3	-6	-20	130	114
Exchange rate differences in cash and cash equivalents		0	-1	-4	-2	-2	0
Cash and cash equivalents at end of period		**155**	**29**	**155**	**29**	**157**	**165**

Parent Company accounts

Income statement

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jul-Jun 2018/19	Jan-Dec 2018
Operating revenue	**7**	**5**	**13**	**9**	**25**	**21**
Administration costs	-9	-12	-20	-25	-43	-48
Other income/costs	-1	-1	-1	-1	-1	-1
Operating income	**-3**	**-8**	**-8**	**-17**	**-19**	**-28**
Financial items, net	-18	2	-37	3	-812	-772
Income before tax	**-21**	**-6**	**-45**	**-14**	**-831**	**-800**
Income tax	0	1	2	3	6	7
Net income	**-21**	**-5**	**-43**	**-11**	**-825**	**-793**

Balance sheet

SEK M	Jun. 30 2019	Jun. 30 2018	Dec. 31 2018
Non-current assets	1,734	1,502	1,732
Current assets	30	34	14
TOTAL ASSETS	**1,764**	**1,536**	**1,746**
Shareholders' equity	598	1,426	641
Provisions	73	73	73
Non-current liabilities	1,066	27	1,020
Current liabilities	27	10	12
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**1,764**	**1,536**	**1,746**

Notes to the consolidated accounts

Note 1 Accounting policies

Group

This interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations, as endorsed by the European Union (EU). The application of the accounting policies corresponds with those contained in the Annual Report for the financial year ended December 31, 2018 and should be read in combination with these. This quarterly report has been prepared in accordance with IAS 34.

New and amended standards and interpretations applicable as of January 1, 2019

New standards that came into force in 2019: IFRS 16. The effects are described below.

IFRS 16 Leases

IFRS 16 Leases is a new leasing standard that has replaced IAS 17 Leases along with the accompanying interpretations IFRIC 4, SIC-15 and SIC-17. The standard entails that nearly all leases has been recognized in the balance sheet since no difference is made between operational and financial leases. This accounting is based on the notion that the lessee has a right the use the asset during a specific period of time, and at the same time has an obligation to pay for this right. Contracts shorter than 12 months and terms and values under 50 KSEK are exempted. The standard is applicable for financial years beginning on January 1, 2019, and later. Prospective application is permitted.

IFRS 16 includes the right to lease offices, which, in accordance with the new standard, have been recognized as a tangible asset, in which the rental payments have been recognized as amortization. For Eniro, total assets have increased by about SEK 140 M regarding future payments of rents. The deviation from the estimate contained in the 2018 Year-end Report is attributable to higher rates of discount. There will be a redistribution of costs in the income statement, other operating expenses will decline and amortization will increase. During the January-march, amortization increased and operating costs declined by approximately SEK 25 M and interest expenses increased with SEK -4 M as an effect of IFRS 16.

Eniro has applied IFRS 16 as of the required application date, January 1, 2019, and will not restate comparative information.

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 Products & Technology (formerly Digital Solutions), Sales and Marketing (formerly Nordic Sales), Human Resources, and Finance. The Voice business area is governed separately and is not an integrated part of the function-based organization.

	Digital marketing				Voice			
SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Operating revenue								
Sweden	88	100	177	203	16	23	34	48
Norway	64	78	128	161	8	9	15	18
Denmark	47	50	91	100	-	-	-	0
Finland	6	5	11	9	56	46	104	76
Poland	-	52	-	102	-	-	-	-
Total	**205**	**285**	**407**	**575**	**80**	**78**	**153**	**142**
Adjusted EBITDA	38	**49**	61	98	15	20	24	28
Items affecting comparability[1)]	-12	-	-12	-	-	-	-	-1
EBITDA	**26**	**49**	49	98	15	20	24	27
Depreciation/amortization	-38	-35	-76	-72	-6	-4	-12	-6
Operating income	**-12**	**14**	**-27**	**26**	**9**	**16**	**12**	**21**

	Other				Total			
SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018
Operating revenue								
Sweden	-	-	-	-	**104**	**123**	**211**	**251**
Norway	-	-	-	-	**72**	**87**	**143**	**179**
Denmark	-	-	-	-	**47**	**50**	**91**	**100**
Finland	-	-	-	-	**62**	**51**	**115**	**85**
Poland	-	-	-	-	-	**52**	-	**102**
Total	-	-	-	-	**285**	**363**	**560**	**717**
Adjusted EBITDA	-18	-9	-38	-17	**35**	**60**	**47**	**109**
Items affecting comparability[1)]	13	1	25	1	1	1	13	-
EBITDA	-5	-8	-13	-16	**36**	**61**	**60**	**109**
Depreciation/amortization	-	-	-	-	**-44**	**-39**	**-88**	**-78**
Operating income	-5	-8	-13	-16	**-8**	**22**	**-28**	**31**
Net financial items					-22	-11	-38	-25
Taxes					5	-24	3	-16
Net income for the period					**-25**	**-13**	**-63**	**-10**

[1)] Items affecting comparability consists of restructuring costs and adjustments according to IFRS 16 Leases

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 and adjusted for bonus issue effect on new issue.

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 and adjusted for bonus issue effect on new issue.

SEK M	Apr-Jun 2019	Apr-Jun 2018	Jan-Jun 2019	Jan-Jun 2018	Jul-Jun 2018/19	Jan-Dec 2018
Earnings attributable to ow ners of the Parent Company	-26	-14	-65	-12	-645	-592
Dividend established for cumulative preference shares during the period	-	-	-	-	-	-
Earnings used for calculating earnings per ordinary share, before dilution	-26	-14	-65	-12	-645	-592
Cupon rate for convertible bonds	-	-	-	-	1	1
Earnings used for calculating earnings per ordinary share, after dilution	-26	-14	-65	-12	-644	-591
Average number of ordinary shares before dilution, 000s	66,556	66,423	66,556	66,326	66,547	66,433
Adjustments for the calculation of earnings per ordinary share after dilution:						
- Convertible bonds	207	208	207	208	207	207
- Warrants	-	257	-	257	-	258
Average number of ordinary shares after dilution, 000s	66,763	66,888	66,763	66,791	66,754	66,898
Earnings per ordinary share before dilution, SEK	-0.39	-0.21	-0.98	-0.18	-9.69	-8.91
Earnings per ordinary share after dilution, SEK [1)]	-0.39	-0.21	-0.98	-0.18	-9.69	-8.91
Preference shares on closing date, 000s	259	259	259	259	259	259

[1)] As earnings per ordinary share after dilution Jan-Jun 2019, Jul-Jun 2018/2019 and Jan-dec 2018 resulted in a reduced loss, the ordinary shares did not give cause to any dilution effect.

[2)] The decision at he annual general meeeting 2016 regarding the warrant program directed to the board and to certian leading executives has in 31 May 2019 expired without any warrant used.

Note 4 Financial instruments by category

Assets and liabilities on the balance sheet SEK M	Jun. 30 2019	Jun. 30 2018	Dec. 31 2018
Financial assets valued to accrued acquisition value			
Non-current assets			
Interest-bearing receivables, blocked bank funds	192	213	196
Current assets			
Accounts receivable - trade and other receivables	74	176	94
Cash and cash equivalents	155	29	165
TOTAL	**421**	**418**	**455**
Financial liabilities valued to accrued acquisition value			
Non-current liabilities			
Borrowing	1,027	777	993
Lease liability	90	7	-
Convertible bond	28	26	27
Other financial liabilities	10	25	16
Current liabilities			
Borrowing	-	86	-
Lease liability	36	2	8
Accounts payable - trade and other liabilities	96	119	109
TOTAL	**1,287**	**1,042**	**1,153**

Note 5 Pension obligations

The most important actuarial assumptions in Sweden	Jun. 30 2019	Dec. 31 2018
Average discount rate, %	1,4	2,3
Long term salary increase, %	2,8	2,9
Long term inflation and increase in pensions, %	1,8	1,9
Long term income indexation increase, %	2,8	2,9

The sharp increase in pension obligations are mainly due to lower average discount rate in Sweden.

Note 6 Events after the end of the reporting period

Eniro's divestment of Proff, its Scandinavian B2B and financial search operations, completed according to plan

On May 20, 2019, Eniro and Asiakastieto Group Plc. together with its Swedish subsidiary UC AB entered into an agreement about the sale of Proff, Eniro's B2B and financial search operations in Scandinavia. The purchase consideration for the acquisition was SEK 120 M, which was paid in cash in one installment. A five percent per annum interest calculated for the period between 1 January 2019 and 1 July 2019 amounting to approximately SEK 3 M was added to the purchase consideration. On July 1, 2019, the transaction was completed. The divestment is in line with Eniro's strategy to focus on digital marketing services in the Nordic area.

Key ratios

	Jun. 30 2019	Jun. 30 2018	Dec. 31 2018
Equity, average 12 months, SEK M	551	716	935
Return on equity (ROE), 12 months, %	-117.1	25.8	-63.3
Return on Assets (ROA), 12 months, %	-17.1	9.9	-23.7
Earnings per ordinary share before dilution, SEK	-0.98	-0.18	-8.91
Earnings per ordinary share after dilution, SEK	-0.98	-0.18	-8.91
Interest-bearing net debt excluding convertible bond and pension obligations, SEK M	-988	-830	-822
Debt/equity ratio, times	3.97	0.78	2.07
Equity/assets ratio, %	9	31	15
Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times	6.3	5.3	4.0
Interest-bearing net debt excluding convertible bond and pension obligations/adjusted EBITDA 12 months, times	6.7	3.0	3.9
Average number full-time employees	860	1,412	1,461
Number of full-time employees on closing date	831	1,394	889
Number of ordinary shares before dilution on closing date after deduction of treasury shares, 000s	66,556	66,509	66,556
Number of ordinary shares after dilution on closing date after deduction of treasury shares, 000s	66,763	66,974	67,021
Number of preference shares on closing date, 000s	259	259	259

Key ratios per share

	Jun. 30 2019	Jun. 30 2018	Dec. 31 2018
Equity per share, SEK	3.11	15.22	5.36
Share price for ordinary shares at end of period, SEK	1.68	4.53	1.09

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, calculated on a daily basis.
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, calculated on a daily basis + 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, and amortization and impairment losses and is used to monitor the operating activities. EBITDA is the measure that best coincides with cash flow.
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) * 1000.	Shareholders' equity per share measures the Group's net value per share.

Financial non-IFRS measures, cont.

Name	Definition	Calculation	Purpose
Adjusted EBITDA	EBITDA excluding restructuring costs and other items affecting comparability. Other items affecting comparability include, gain/loss from the divestment of companies, legal expenses from disputes that are not part of ordinary operations, severance expenses for persons in executive management and other major nonrecurring items.	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

		Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
	SEK M	**2019**	**2018**	**2019**	**2018**	**2018/19**	**2018**
	Operating income	-8	22	-28	31	0	-513
+	Depreciation/amortization	44	37	88	76	158	146
+	Impairment losses	0	2	0	2	571	573
=	**Total EBITDA**	**36**	**61**	**60**	**109**	**157**	**206**
	Items affecting comparability						
+	Restructuring costs	12	0	12	1	13	2
+	Other items affecting comparability	-13	-1	-25	-1	-23	1
=	**Total adjusted EBITDA**	**35**	**60**	**47**	**109**	**147**	**209**

Calculation of EBITDA margin

		Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
		2019	**2018**	**2019**	**2018**	**2018/19**	**2018**
	EBITDA	36	61	60	109	157	206
÷	Operating revenue	285	363	560	717	1,236	1,393
=	**EBITDA margin %**	**12.6**	**16.8**	**10.7**	**15.2**	**12.7**	**14.8**

Calculation of adjusted EBITDA margin

		Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
		2019	**2018**	**2019**	**2018**	**2018/19**	**2018**
	Adjusted EBITDA	35	60	47	109	147	209
÷	Operating revenue	285	363	560	717	1,236	1,393
=	**Adjusted EBITDA margin %**	**12.3**	**16.5**	**8.4**	**15.2**	**11.9**	**15.0**

Reconciliation of operating expenses

		Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
	SEK M	**2019**	**2018**	**2019**	**2018**	**2018/19**	**2018**
	Production costs	-102	-100	-202	-192	-409	-399
+	Sales costs	-92	-123	-181	-258	-407	-484
+	Marketing costs	-24	-26	-48	-53	-96	-101
+	Administration costs	-52	-52	-102	-107	-208	-213
+	Product development costs	-25	-39	-59	-78	-125	-144
+	Deduction of depreciation	16	3	30	7	35	12
+	Deduction of amortization	28	34	58	69	123	134
=	**Operating expenses**	**-251**	**-303**	**-504**	**-612**	**-1,087**	**-1,195**

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

	SEK M	Jun. 30 2019	Jun. 30 2018	Dec. 31 2018
	Borrowing	-1,027	-863	-993
+	Lease liability	-126	-9	-8
+	Other non-current interest-bearing receivables[1)]	10	13	14
+	Cash and cash equivalents	155	29	165
=	**Interest-bearing net debt excluding convertible bond and pension obligations**	**-988**	**-830**	**-822**

1) The amount pertain to pledged bank funds as a security for leases in Norway and Finland.
2) In addition to interest-bearing debt Eniro has SEK 182 M (200) pertains to pledged bank funds for future pension obligations.

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

		Jun. 30 2019	Jun. 30 2018	Dec. 31 2018
-	Interest-bearing net debt excluding convertible bond and pension obligations	-988	-830	-822
÷	EBITDA 12 month	157	215	206
=	**Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times**	**6.3**	**3.9**	**4.0**

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

		Jun. 30 2019	Jun. 30 2018	Dec. 31 2018
-	Interest-bearing net debt excluding convertible bond and pension obligations	-988	-830	-822
÷	Adjusted EBITDA 12 month	147	251	209
=	**Interest-bearing net debt excluding convertible bond and pension obligations/adjusted EBITDA 12 months, times**	**6.7**	**3.3**	**3.9**

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