



YEAR-END REPORT 2019

Q4|19

JANUARY – DECEMBER

FOURTH QUARTER: OCTOBER – DECEMBER 2019

- Total operating revenue amounted to SEK 246 M (320), a decrease of 23%. Adjusted for divested units, the decrease was 11%.
- EBITDA amounted to SEK 22 M (37). EBITDA was positively impacted in an amount of SEK 12 M compared with the preceding year as a result of IFRS 16. The EBITDA margin was 8.9% (11.6%). Adjusted EBITDA amounted to SEK 20 M (38). The IFRS 16 effect above was reversed in adjusted EBITDA.
- Net income for the period was SEK -45 M (-557). The impairment of intangible assets of SEK 570 M that was made in the fourth quarter of the preceding year essentially accounts for the difference in earnings between the quarters.
- Earnings per ordinary share for the period were SEK -0.69 (-8.38) before and after dilution.
- Restructuring costs, pertaining to the streamlining of the sales organization, amounted to SEK 10 M (1) in the fourth quarter.
- The Board of Directors proposes to the 2020 AGM that no dividend be paid on ordinary or preference shares.

FULL-YEAR: JANUARY – DECEMBER 2019

- Total operating revenue amounted to SEK 1,060 M (1,393), a decrease of 24%. Adjusted for divested units, the decrease was 9%.
- EBITDA amounted to SEK 76 M (206), including the loss on the divestment of shares in a subsidiary of SEK 32 M. EBITDA was positively impacted in an amount of SEK 40 M compared with the preceding year as a result of IFRS 16. The EBITDA margin was 7.2% (14.8%). Adjusted EBITDA amounted to SEK 92 M (209). The IFRS 16 effect above was reversed in adjusted EBITDA.
- On October 28, 2019, the Board of Directors resolved to make a non-cash impairment of the value of goodwill of SEK 306 M, after which the loss for the period amounted to SEK -634 M (-588).
- Earnings per ordinary share for the period were SEK -9.57 (-8.91) before and after dilution.
- Eniro divested the Proff companies to Asiakastieto Group Plc and UC AB, upon which a cash purchase consideration of SEK 120 M plus interest SEK 3 M was paid on the closing date, July 1, 2019. Eniro subsequently called for arbitration against Asiakastieto Group Plc and UC AB regarding the claim for additional purchase consideration and accrued but not paid interest.
- Restructuring costs, pertaining to the streamlining of the sales organization, amounted to SEK 24 M (2) for the full year.

EVENTS AFTER THE BALANCE SHEET DATE

- The Board of Directors of Eniro AB is proposing a plan for a new recapitalization, entailing an exchange of convertibles and bonds for redeemable preference shares of a new Class A and has called an Extraordinary General Meeting on Monday, March 2, 2020, please see press release 2020-01-29.
- For efficiency reasons, the Board has decided to adjust the recapitalisation schedule and move the Annual General Meeting to May 29, 2020.

SEK M	Oct-dec 2019	Oct-dec 2018	Jan-Dec 2019	Jan-Dec 2018
Operating revenue	246	320	1,060	1,393
EBITDA	22	37	76	206
Adjusted EBITDA	20	38	92	209
Operating income	-26	-565	-396	-513
Net income	-45	-557	-634	-588
Cash flow from operating activities	41	27	51	45
Interest-bearing net debt excluding convertible bond and pension obligations	-920	-822	-920	-822

* Effects of IFRS 16 Leases are included in 2019 but not in 2018. For more information, see Note 1

Eniro is a Nordic company that helps small and medium-sized companies with their digital marketing. Eniro also has a search service that aggregates, filters and presents information to help individuals find and come into contact with each other and with companies. Eniro Group has about 1,000 employees and operates in Sweden, Norway, Denmark and Finland through the local domains eniro.se, gulesider.no, krak.dk and degulesider.dk. Each week, Eniro Group's digital services have about 4.8 million unique visitors. The Eniro is listed on Nasdaq Stockholm [ENRO] and its head office is located in Stockholm, Sweden.

CEO's comments



Another eventful year is now behind us

We started the year by divesting the Proff companies, which boosted our cash reserves on the one hand and streamlined our operations on the other. We have now created further conditions for investments in our main business, "Marketing Partner", which comprises our digital marketing products.

I took up my position mid-year and since then, I have continued the work already begun to maximize the potential of our company. Much of my time has been spent developing the business, which I describe below. At the same time, the company faces major financial challenges. Already in quarter three, we reported impairment of goodwill and the decision to revise the long-term capital structure.

We see positive signals in the business, but the company's continued development is entirely dependent on the success of the recapitalisation plan.

New recapitalisation plan

In January 2020, the Board published a plan for a new recapitalisation. The plan means that holders of convertibles and bonds exchange these instruments for newly issued redeemable preference shares of a new series A. Please read our press release of January 29, 2020.

Focus on business operations

We are now employing clear strategies toward a clear vision: to become the Nordic region's most appreciated complete supplier of digital marketing products for small and medium-sized companies.

During the year, we continued to focus on ensuring that our customer journey is even more tailored to the needs of small and medium-sized companies in terms of assistance with their digital marketing. Key activities in this work involve being able to offer the right products for

the customer's identified needs, simplify the customer journey and, over time, create more scalable production of the products purchased. We also commenced our own digitalization by investing in our "Mitt Eniro" portal, which will be our hub for the customer journey moving forward.

During the year, we also invested in the important transition of our strong brand, from only being associated with local search sites to also include serving as the natural marketing partner for small and medium-sized companies.

One area that displayed healthy growth was our ability to generate new, potential customers through digital channels (leads generation), which entailed higher efficiency in sales and lower customer acquisition cost (CAC). During the year, we more than doubled the effect

via this channel, which now accounts for a substantial share of our new sales.

We see from our employee surveys, despite the difficult years behind us, that we enjoy strong loyalty and a belief in the company's future. Among our loyal employees, there is also access to broad and deep expertise in our field.

When we compare our figures with the preceding year, we are now in a better position at the end of 2019 than in the year-earlier period and we are closer to our growth target now than we have been for a long time.

Assets and opportunities

The market is large and growing and we have a clear right to exist within it. The growth estimate (Source: IRM) for the Nordic region in 2020 is approximately 7%. Our existing customer base consists of approximately 70,000 customers in the Nordic region, giving us a market penetration of about 6%. We see good opportunities in this for future growth.

We are alone in being able to offer our segment of small and medium-sized companies the broad product portfolio of services that reach from our own sites to Google and Facebook. In addition, our exclusive right to sell Yext in the Nordic region enables us to help our customers keep their corporate information updated on the Net - not only on Google but also on many of the other largest sites throughout the world.

Our large advisory sales force is an asset in a world in which our customers need human contact and support to be able to pursue their marketing activities. Our constant focus on processes to create a positive customer journey have now begun to generate results, which we can see the outcome of, for example, in improved subscription renewal.

We see a continued need to simplify and clarify our offering in a smarter way so it becomes easier for our customers to purchase and easier for Eniro to sell. This will be an area of focus in 2020.

We will continue to invest in Mitt Eniro, our customer portal, where our customers can easily gain an overview

of the effect of their marketing. The entire purpose is to simplify something that many perceive as complex and to provide these customers with an intuitive tool that make marketing fun and easily accessible.

Strengthening each other

The various measures related to the targets in our strategy strengthen each other. By automating processes and making them scalable, we are able to free up resources that we can invest in value-generating additional sales and in improving the customer journey. By making it easier for the customers to understand the effects of their marketing, we can awaken interest that leads to further sales. Success breeds success.

For us, it is a matter of turning around the negative trend that we have lived with for a long time and in 2019, we saw a number of significant positive signs.

We saw a higher degree of subscription renewal in all four countries. This key ratio is one of our most important KPIs and has a clear correlation with the potential for growth.

During 2019, we doubled the number of new customers through our digital marketing channels and in 2020, our ambition is to once again at least double the number of customers via this channel.

A sign that the company is on the right track and stands a lot close to growth is that revenue in 2019 compared to 2018 (excl Voice) lands at - 9%, which should be compared with the same period the year before which was then -16%.

Voice

Voice services continue to note a stable performance. Directory information services in Sweden, Norway and Finland are declining at a somewhat lower pace compared with previously. The development of contact center operations in Finland is compensating for the shrinking market for directory information services and is making Voice services more stable. We have also launched contact center operations in Sweden and gained a number of new customers during the year.

A few years ago, we also commenced the sale of digital marketing products in Finland. The development has been positive and we are confident that we will see continued growth in the segment.

Sales and earnings

Operating revenue amounted to SEK 246 M (320), corresponding to a decline of 23% compared with the preceding year. Adjusted for divested units, the decrease was 11%. In total for the year, operating revenue amounted to SEK 1,060 M (1,393), a decrease of 24%. Adjusted for divested units, the decrease was 9%. EBITDA for the fourth quarter amounted to SEK 22 M (37), while adjusted EBITDA amounted to SEK 20 M (38). The adjusted EBITDA margin for the quarter was 8.1% (11.9). Consolidated EBITDA was SEK 76 M (206) for the year, while adjusted EBITDA was SEK 92 M (209), corresponding to a margin of 8.7% (15). EBITDA for the year was positively impacted in an amount of SEK 40 M compared with the preceding year as a result of IFRS 16. The IFRS 16 effect above was reversed in adjusted EBITDA. The cost savings made did not fully offset the loss of revenue and we are seeing a change in our product mix that is reducing our margins. We ended 2019 with a strong cash balance of SEK 215 M (165).

2020 will be an exciting year

Finally, I want to say that Eniro has a clear role to play in a growing market. We will carry out this task using our well-known brand, our adapted offering and our expert advisers. We are seeing a positive trend for our main KPIs. We are seeing many positive signs that we have never been closer than we are now to proving that we can generate growth. All of this combined gives us good strength in an exciting 2020.

I want to thank all employees for their fantastic efforts for the Nordic region's small and medium-sized companies in 2019.

Kista, February 11, 2020

Magdalena Bonde, President and CEO

Fourth quarter results 2019

Revenue

Operating revenue for the fourth quarter amounted to SEK 246 M (320), a decrease of 23%. Adjusted for divested units, the decrease was 11%.

Currency effects impacted revenue positively by SEK 2 M (10).

Geographically, operating revenue is broken down into Sweden SEK 94 M (116), Norway SEK 48 M (80), Denmark SEK 44 M (53), Finland SEK 60 M (54), and Poland SEK 0 M (17).

Digital marketing

Digital marketing includes the Online search and Complementary digital marketing products revenue categories. Eniro's Online search services are offered on sites in the various countries – eniro.se, gulesider.no, krak.dk, dgs.dk. These sites are among the most visited sites in their respective markets. Online search services are also offered on mobile apps, including Eniro's local search app, Eniro Navigation and "Eniro På Sjön". 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, Bing and Facebook, display advertising via external networks and website products.

Operating revenue from Digital marketing amounted to SEK 170 M (243), a decrease of 30%. Of operating revenue, SEK 121 M (194) came from Online search and SEK 49 M (49) from Complementary digital marketing products.

Market and traffic

Digital marketing currently accounts for nearly 60% of the media market in Sweden and according to IRM's forecasts, the market will grow by 7% in 2020. Each week, Eniro's sites in Sweden, Norway and Denmark have about 4.8 million unique visitors. This creates favorable conditions for Eniro's future development.

Sales and customer base development

The total number of customers for "Digital marketing" in the three Scandinavian countries amounted to approximately 70,000 (83,000). At the beginning of the quarter, the number of customers amounted to approximately 74,000, that is a decline by approximately 5% during the quarter.

The sales organization has successively been adapted to meet new conditions with new offerings, a 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 adaptations, 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 call 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 (1880 and 1888 services).

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.

Operating revenue from Voice amounted to SEK 76 M (77), a decline of 1%.

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 22 M (37), corresponding to an EBITDA margin of 8.9% (11.6%).

EBITDA is broken down as follows: SEK 21 M (30) for Digital marketing, SEK 5 M (11) for Voice, and SEK -4 M (-4) relating to other Group functions.

The Group's operating expenses, that is, expenses excluding amortization and impairment losses, totaled SEK -229 M (-284), where expenses for the period include SEK 2 M (-1) in items affecting comparability. Of these, SEK -10 M (-1) was related to restructuring costs and SEK 12 M (0) to the IFRS 16 effect.

After adjustment for items affecting comparability, adjusted EBITDA for the Group amounted to SEK 20 M (38), a decrease of 47%. The adjusted EBITDA margin was 8.1% (11.9%).

Amortization and impairment losses

After amortization and impairment losses totaling SEK -48 M (-602), consolidated operating income amounted to SEK -26 M (-565). The Group's total amortization amounted to SEK -48 M (-32) during the fourth quarter of 2019. Amortization of the *Gule Sider* trademark totaled SEK -15 M (-15) and amortization of the Krak trademark totaled SEK -3 M (-4).

The remaining amortization of SEK -30 M (-13) consists mainly of amortization of capitalized costs for product development and on right-of-use assets according to IFRS 16.

Deferred tax liabilities

During the quarter, deferred taxes were impacted by the reversal of deferred tax liabilities in an amount of SEK 20 M attributable to intangible assets in Finland, where it is deemed that a temporary difference no longer exists.

Net financial items

Net financial items amounted to SEK -31 M (10). Net financial items comprise: net interest expense SEK -29 M (-23), exchange rate differences SEK -2 M (-11) and the capital gain from the divestment of Eniro Polska SEK 0 M (44).

Income before taxes and tax expense

Income before tax amounted to SEK -57 M (-555).
Reported tax totaled SEK 12 M (-2), which is essentially attributable to the reversal of deferred tax assets and deferred tax liabilities.

Net income for the period and earnings per ordinary share

Net income for the period was SEK -45 M (-557).
Earnings per ordinary share were SEK -0.69 (-8.38) before and after dilution.

REVENUE Q4 2019

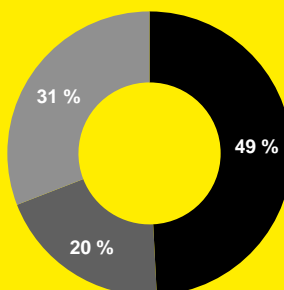
SEK **246** M

EBITDA Q4 2019

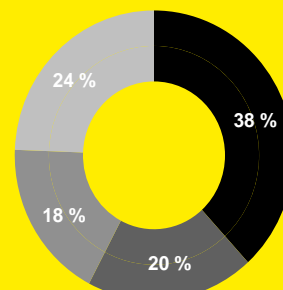
SEK **22** M

GROUP REVENUE PER CATEGORY Q4 2019

- Online sök (49%)
- Kompletterande marknadsföringsprodukter (20%)
- Voice (31%)

**GROUP REVENUE PER COUNTRY Q4 2019**

- Sverige (38%)
- Norge (20%)
- Danmark (18%)
- Finland (24%)



Results January–December 2019

Business model

Eniro's offering contains a broad range of market-communication products and our customer promise is to help the involuntary marketing manager by becoming the marketing partner for small and medium-size companies.

Eniro has a competitive offering for all companies that need effective and successful online communication both as standalone services and as tailored packaged solutions.

The business model is primarily based on subscriptions, but Eniro also offers diverse campaign-based products, for example, different types of display products.

Revenue

Operating revenue amounted to SEK 1,060 M (1,393), a decrease of 24%. Adjusted for divested units, the decrease was 9%.

Currency effects impacted revenue positively by SEK 14 M (46).

Geographically, operating revenue is broken down into Sweden SEK 404 M (487), Norway SEK 243 M (340), Denmark SEK 178 M (202), Finland SEK 235 M (193), and Poland SEK 0 M (171).

Digital marketing

Operating revenue from Digital marketing amounted to SEK 752 M (1,094), a decrease of 31%. Of operating revenue, SEK 574 M (920) came from Online search and SEK 178 M (174) from Complementary digital marketing products.

Voice

Operating revenue from Voice amounted to SEK 308 M (299), an increase of 3%.

Operating income

EBITDA for the Group was SEK 76 M (206), corresponding to an EBITDA margin of 7.2% (14.8%).

EBITDA is broken down as follows: SEK 78 M (174) relating to Digital marketing, SEK 48 M (56) relating to Voice, and SEK -50 M (-24) relating to other Group functions.

The Group's operating expenses, that is, expenses excluding amortization and impairment losses, totaled SEK -966 M (1,195), where expenses for the period include SEK -16 M (-3) in items affecting comparability. Of these, SEK -24 M (-2) was related to restructuring costs and SEK 40 M (0) to IFRS 16 effects, SEK -32 M (0) to capital losses from the divestment of subsidiaries and SEK 0 M (-1) to other factors.

After adjustment for items affecting comparability, adjusted EBITDA for the Group amounted to SEK 92 M

(209), a decrease of 56%. The adjusted EBITDA margin was 8.7% (15.0).

After amortization and impairment losses totaling SEK -472 M (-719), consolidated operating income amounted to SEK -396 M (-513).

Amortization and impairment losses

The Group's total amortization amounted to SEK -166 M (-146) during the January-December 2019 period.

Amortization of the Gule Sider trademark totaled SEK -60 M (-59) and amortization of the Krak trademark totaled SEK -13 M (-13).

The remaining amortization of SEK -93 M (-74) consists mainly of amortization of capitalized costs for product development and on right-of-use assets. Amortization attributable to IFRS 16 amounted to SEK 31 M (0).

Considering the Group's earnings performance and taking into account updated forecasts and elaborated business plans, the Board decided on an impairment of goodwill in the third quarter, see also Note 5, which in turn reduced the Group's shareholders' equity. The Parent Company's equity, as a result of the subsequent impairment of shares in subsidiaries, declined by SEK 376 M.

Deferred tax assets

Due to the trend related to the impairment of goodwill and uncertainty regarding new rules on the restrictions to tax deductions on interest, the Board decided to impair deferred tax assets by SEK 169 M.

Net financial items

Net financial items amounted to SEK -78 M (-67). Net financial items comprise: net interest expense SEK -78 M (-102), exchange rate differences SEK 3 M (-8), the capital gain from the divestment of Eniro Polska SEK 0 M (44), and other financial expenses SEK -3 M (-1).

Income before tax, and reported tax

Income before tax amounted to SEK -474 M (-580). Reported tax totaled SEK -160 M (-8), which is essentially attributable to the reversal of deferred tax assets and deferred tax liabilities.

Net income for the period and earnings per ordinary share

Net income for the period was SEK -634 M (-588). Earnings per ordinary share were SEK -9.57 (-8.91) before and after dilution.

Revenue YTD 2019

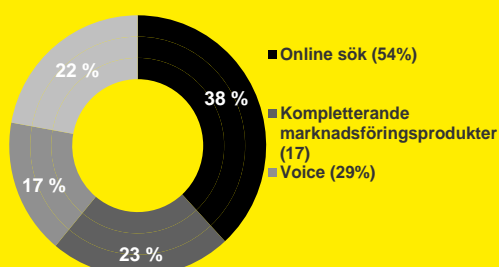
SEK **1,060** M

EBITDA YTD 2019

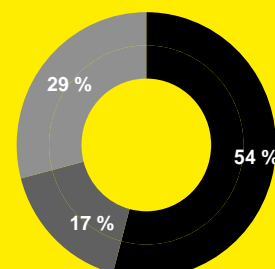
SEK 76 M

GROUP REVENUE PER CATEGORY YTD 2019

- Sverige (38%)
- Norge (23%)
- Danmark (17%)
- Finland (22%)



GROUP REVENUE PER COUNTRY YTD 2019



Operating revenue by category and operating segment

SEK M	Oct-dec 2019	Oct-dec 2018	%	Jan-Dec 2019	Jan-Dec 2018	%
On-line search	121	194	-38	574	920	-38
Complementary digital marketing products	49	49	0	178	174	2
Digital marketing	170	243	-30	752	1,094	-31
Voice	76	77	-1	308	299	3
Total revenue	246	320	-23	1,060	1,393	-24

Reconciliation of operating income and adjusted EBITDA

SEK M	Oct-dec 2019	Oct-dec 2018	%	Jan-Dec 2019	Jan-Dec 2018	%
Operating income	-26	-565		-396	-513	
Depreciation/amortization	48	32	50	166	146	14
Impairment losses	0	570		306	573	
Total EBITDA	22	37	-41	76	206	-63
Whereof Digital marketing	21	30	-30	78	174	-55
Whereof Voice	5	11	-55	48	56	-14
Whereof Other	-4	-4	0	-50	-24	-108
EBITDA margin %	8.9	11.6		7.2	14.8	
Items affecting comparability						
Loss sale of subsidiary	0	0		32	0	
Restructuring costs	10	1		24	2	
IFRS 16 Lease	-12	0		-40	1	
Total adjusted EBITDA	20	38	-47	92	209	-56
Adjusted EBITDA margin %	8.1	11.9		8.7	15.0	

Interest-bearing net debt excluding convertible bond and pension obligations

SEK M	Note	Dec.31 2019	Dec.31 2018
Borrowing		-1,053	-993
Lease liability		-91	-8
Other non-current interest-bearing receivables ¹⁾		9	14
Cash and cash equivalents		215	165
Interest-bearing net debt excluding convertible bond and pension obligations²⁾		-920	-822

1) The amount pertains to pledged bank funds as security for leases in Norway and Finland.

2) In addition to interest-bearing debt, Eniro has SEK 182 M (182) that pertains to pledged bank funds for future pension obligation.

Cash flow and financial position

Financial position

Total assets in the Group amounted to SEK 2,105 M (2,692), a decrease of 22%.

Intangible assets amounted to SEK 1,423 M (1,948), of which SEK 1,034 M (1,470) related to goodwill.

The Group's interest-bearing net debt excluding the convertible bond and pension obligations amounted to SEK -920 M (-822) 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 12.1 (4.0) as per December 31.

As per December 31, the Group's debt outstanding under existing credit facilities was SEK 1,053 M (993). Cash and cash equivalents amounted to SEK 215 M (165).

The convertible bond is recognized at cost and amounted to SEK 29 M (27) as per December 31. 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 655 M (566) at December 31. The higher pension liability was primarily attributable to low market interest rates (refer to Note 6).

Eniro has credit insurance with PRI Pensionsgaranti (PRI) which remains in force until December 31, 2020. Eniro has pledged bank funds for future obligations (a so-called enhanced pension guarantee). As per December 31, 2019, total pledged funds amounted to SEK 182 M (182), including returns. Pledged funds including returns are recognized as Other non-current interest-bearing receivables.

Contract liabilities amounted to SEK 237 M (321) at December 31. Contract liabilities arises mainly in the Online search segments, where many customers pay one year in advance. The 26% decrease compared with December 31, 2018 was mainly attributable to the divestment of the Polish operation and the Proff companies.

Total shareholders' equity for the Group amounted to SEK -271 M (397) as per December 31. The impairment of goodwill and deferred tax assets, as well as the pension obligation, were the main reasons for the negative shareholders' equity.

Cash flow

Cash flow from operating activities amounted to SEK 51 M (45). EBIT increased by SEK 117 M from SEK -513 M to SEK -396 M. Working capital also improved from SEK -81 M to SEK -51 M. The exchange rate effect for the year was SEK -9 M (-10) and financial items amounted to SEK -6 M (-36). Other non-cash items amounted to SEK 38 M (-33) and mainly pertained to changes in provisions and a capital loss on the divestment of the Proff companies.

Eniro's tax payments are made mainly during the first half of the year. Eniro has loss carryforwards in Sweden,

Norway, Denmark, Finland and Poland, which is why tax payments have been low.

Cash flow from investing activities amounted to SEK 59 M (-50), of which the divestment of the Proff companies accounted for SEK 77 M (-) and net investments in operations amounted to SEK -18 M (-66).

Cash flow from financing activities amounted to SEK -56 M (119). During the period, there was no new borrowing (1,031), while amortization amounted to SEK -53 M (-925). Dividends to minority shareholders amounted to SEK -3 M (-5).

Cash flow for the period amounted to SEK 54 M (114).

Improvements to capital structure

In connection with the quarterly report for the third quarter 2019, the Board of Directors of Eniro AB resolved to carry out a review of the Group's long-term capital structure. In light of this, the Board of Directors has prepared a plan for a new recapitalisation. The plan entails that holders of convertibles and bondholders exchange these instruments for newly issued redeemable preference shares of a new Class A ("Preference Shares of series A").

The implementation of the recapitalisation plan is conditioned upon (1) a resolution by bondholders representing at least 2/3 of the bond loan that votes to carry out an exchange for Preference Shares of Class A, (2) that holders of convertibles representing at least 90% of the outstanding convertible debt agrees to exchange convertibles for Preference Shares of Class A, and (3) a resolution by the Extraordinary General Meeting to amend the Articles of Association and to authorize the Board of Directors to issue Preference Shares of Class A. Should Eniro fail to implement the recapitalisation, further write-down needs arise as the possibility of carrying out the transformation of the business that is in progress would no longer be considered realistic. In this case, the Board of Directors will have to prepare a special balance sheet for liquidation purposes and apply for company reorganisation to obtain protection from bankruptcy and enable an orderly reorganisation of the company's debt.

The plan is supported by shareholders representing approximately 25% of all votes in the company and by bondholders representing approximately 30% of the bond loan, provided that Eniro can also present a new agreement with the Insurance company PRI Pensionsgaranti, mutual ("PRI") which these owners accept

Eniro has called for an Extraordinary General Meeting to be held on March 2, 2020. On February 7, 2020, the agent of the bondholders requested that the bondholders resolve on the exchange.

For further information, refer to the press release at www.enirogroup.com.

Divestment

In May 2019, Eniro entered into an agreement for the transfer of Proff, Eniro's B2B and financial and corporate information search operations in Scandinavia, to

Asiakastieto Group Plc together with its Swedish subsidiary UC AB. This sale is in line with Eniro's strategy of focusing on digital marketing services in the Nordic region. A cash purchase consideration of SEK 120 M, and interest of SEK 3 M calculated as annual interest of 5% based on SEK 120 M from January 1, 2019 until the closing date, was paid on the closing date of July 1, 2019.

Following the transaction, Eniro made a claim to the buyer for an additional payment of SEK 21 M plus accrued but not paid interest, refer to Disputes below, whereby the final outcome of the transaction may change.

The previously communicated positive cash flow of SEK 115 M was calculated on enterprise value, i.e. before consideration for cash remuneration. After reporting the actual values of assets and liabilities and adjusting the purchase price with respect to such items as interest rate additions, a positive cash flow effect of SEK 77 M was recognized, before taking into account transaction costs.

The interim report shows an impact on earnings of SEK -32 M. The additional claimed purchase price is not included in the recognized gain as it is to be regarded as an contingent asset pending a decision in the arbitration proceeding.

Considering the uncertainty regarding the timing of settlement of the additional claimed purchase consideration including interest there on, the Board of Directors has determined that this is currently considered a contingent asset, which has not been taken into account in the calculation of earnings on the sale of shares.

Disputes

Eniro announced on August 15, 2019 that Eniro had made a claim to Asiakastieto Group PIC and UC AB for additional payment of SEK 21 M plus accrued but not paid interest for the transfer of Proff. Asiakstieto and UC

have contested this claim and Eniro has requested arbitration with Asiakastieto Group Plc and UC AB.

Parent Company

Operating revenue amounted to SEK 23 M (21), which pertains to intra-Group services. Income for the period was SEK -515 M (-793). The improvement in earnings is mainly attributable to the write-down of shares in subsidiaries being lower. At December 31, the Parent Company's equity amounted to SEK 126 M (641), of which unrestricted equity amounted to SEK 73 M (-557).

After receiving permission from the Swedish Companies Registration Office on July 18, 2019, and in accordance with the Annual General Meeting's resolution on May 9, 2019, the company's share capital was reduced for transfer to unrestricted equity in the amount of SEK 587,898,596.06 without the cancellation of shares. Following the reduction in share capital, the company's share capital amounted to SEK 53,465,749.60, distributed among a total of 66,832,187 shares, each with a quota value of 0.80 SEK. The reduction does not affect the number of shares in the company.

Shares and holdings of treasury shares

As of December 31, 2019, the total number of shares was 66,832,187, of which 66,573,410 are Class A ordinary shares and 258,777 are preference shares. The total number of votes as per December 31 was 66,599,287.7, of which Class A ordinary 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 December 31, of which 20,405 are Class A ordinary shares and 3,368 preference shares. The average holding of treasury shares during the period was 20,405.

OTHER INFORMATION

2020 Annual General Meeting

Eniro's Annual General Meeting will be held on Friday, May 29, 2020 in Kista, Sweden.

Dividend

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

ANNUAL REPORT 2019

Eniro's 2019 Annual Report will be available on the company's website www.enirogroup.com from the week beginning March 23, 2020.

Reduction of share capital

The Annual General Meeting held on May 9, 2019 passed two resolutions regarding the reduction of Eniro AB's share capital. The first resolution was a SEK 557 M reduction in share capital for the purpose of covering losses, without the cancellation of shares, and was registered with the Companies Registration Office. After this reduction, the share capital amounted to approximately SEK 641 M, distributed between an unchanged number of shares, 66,832,187, meaning that the quota value of the shares has reduced to about SEK 9.59 per share.

The second decision, which required permission from the Companies Registration Office to be executed, was the reduction of share capital by approximately SEK 588 M to about SEK 53.5 M for transfer to unrestricted shareholders' equity, without the cancellation of shares, which entails that the quota value of the shares will be reduced by an additional SEK 0.80 per share. Permission from the Companies Registration Office was granted on July 18, 2019.

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 are to be not fewer than 60,000,000 shares and not more than 240,000,000 shares.

Employees

Full-time employees at the end of the period

	Dec.31 2019	Dec.31 2018
Sweden	167	243
Norway	112	163
Denmark	107	120
Finland	25	22
Poland	16	27
Digital marketing	427	575
Sweden	47	51
Norway	20	24
Finland	293	239
Voice	360	314
Total Group	787	889

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 were judged to potentially affect the Group's performance in 2019 were related to high personnel turnover and higher competition from global actors in Online 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 members 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.

Costs for outgoing CEO

The contract with former CEO Örjan Frid was terminated on May 22, 2019. This contract had a mutual six-month period of notice. Örjan Frid was not entitled to any severance pay. The total cost of remuneration for Örjan Frid during the period of notice amounted to SEK 2.4 M.

Nomination Committee and Annual General Meeting

Eniro's Annual General Meeting will be held on Tuesday, April 28, 2020 in Kista, Sweden. The Nomination Committee ahead of the 2020 Annual General Meeting has been appointed in accordance with the guidelines decided at Eniro's 2018 Annual General Meeting that remain valid and consists of the following individuals: Johnny Sommarlund (appointed by MGA Placeringar AB), Ilija Batljan (own holding and via companies), Theodor Jeansson (own holdings), Carl Rosvall (appointed by Hajskäret Invest AB) and Arne Myhrman (Chairman of the Board of Eniro). The Nomination Committee elected Theodor Jeansson its Chairman.

Shareholders wishing to submit a motion to be addressed at the Annual General Meeting must submit such a proposal to the Chairman of the Board by e-mail to ir@eniro.com not later than April 7, 2020, in order that the motion can be included in the notification of the Annual General Meeting. See also www.enirogroup.com.

Review report

This year-end report has been reviewed by the auditors.

Disclosure

This information is information that Eniro AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 8:30 a.m. CET on February 11, 2020.

Kista, February 11, 2020

Magdalena Bonde

President and CEO

Review report

Introduction

We have reviewed the condensed interim financial information (interim report) of Eniro AB corporate identity number 556588-0936, as of September 30, 2019, and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Material Uncertainty Related to Going Concern

We would like to draw attention to page 8 in Eniro's interim report, which states, inter alia, that the financial recapitalisation that the company is facing requires the approval of the Annual General Meeting that the Board of Directors be authorized to carry out the necessary

issue and amend the articles of association

Furthermore, the reconstruction is conditional on acceptance by the holders of bond and convertible debenture. If the recapitalisation is not carried out, the Board of Directors considers that there are no prerequisites for the business plan that forms the basis for the impairment test, and further impairment of intangible assets and shares in subsidiaries is then inevitable. Eniro AB's share capital will then be consumed and Eniro AB will need to prepare a balance sheet for liquidation purposes. In such a situation, the Board intends to apply for company construction. These circumstances indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and the Company to continue as going concerns. Our opinion is not modified in respect of this matter.

Emphasis of Matter

Without affecting our statements above, we would like to draw attention to the fact that Note 2 Goodwill states that the value of the company's intangible assets is dependent on a number of significant assumptions by management and the board of directors where the rate of growth in the transformation is the most significant. If the transformation of Eniro's business does not impact sales at the rate assumed by the management, or if other assumptions underlying the impairment test conducted by the management would change in a negative way, this will lead to further write-downs as the assumed cash flows do not will occur alternatively be pushed further in the future.

Stockholm, February 11, 2020

PricewaterhouseCoopers AB

Michael Bengtsson

Authorised Public
Accountant

Carl Fogelberg

Authorised Public
Accountant

Consolidated accounts

Consolidated income statement

SEK M	Note	Oct-dec 2019	Oct-dec 2018	Jan-Dec 2019	Jan-Dec 2018
Operating revenue		246	320	1,060	1,393
Production costs		-104	-102	-402	-399
Sales costs		-70	-107	-319	-484
Marketing costs		-10	-23	-88	-101
Administration costs		-74	-52	-219	-213
Product development costs		-19	-32	-104	-144
Other income/costs		5	1	-18	8
Impairment of non-current assets		0	-570	-306	-573
Operating income	2	-26	-565	-396	-513
Financial items, net		-31	10	-78	-67
Income before tax		-57	-555	-474	-580
Income tax		12	-2	-160	-8
Net income		-45	-557	-634	-588
Of which, attributable to:					
Owners of the Parent Company		-46	-558	-637	-592
Non-controlling interests		1	1	3	4
Net Income		-45	-557	-634	-588
Earnings per ordinary share before dilution, SEK	3	-0.69	-8.38	-9.57	-8.91
Earnings per ordinary share after dilution, SEK	3	-0.69	-8.38	-9.57	-8.91
Average number of ordinary shares before dilution, 000s		66,556	66,556	66,556	66,433
Average number of ordinary shares after dilution, 000s		66,763	67,021	66,763	66,898
Preference shares on closing date, 000s		259	259	259	259

Consolidated statement of comprehensive income

SEK M	Oct-dec 2019	Oct-dec 2018	Jan-Dec 2019	Jan-Dec 2018
Net income	-45	-557	-634	-588
Other comprehensive income				
Items that cannot be reclassified to income statement				
Revaluation of pension obligations	82	-1	-82	-53
Tax attributable to revaluation pension obligations	0	1	34	12
Total	82	0	-48	-41
Items that have been or can be reclassified to the income statement				
Exchange rate differences	-18	-52	16	4
Hedge of net investments	0	-3	0	-22
Tax attributable to hedge of net investments	0	1	0	5
Total	-18	-54	16	-13
Other comprehensive income, net after tax	64	-54	-32	-54
Total comprehensive income	19	-611	-666	-642
Of which, attributable to:				
Owners of the Parent Company	20	-610	-669	-647
Non-controlling interests	0	-1	4	5
Total comprehensive income	20	-611	-665	-642

Consolidated balance sheet

SEK M	Note	Dec.31 2019	Dec. 31 2018
Assets			
Non-current assets			
Right-of-use assets		88	-
Other tangible assets		7	14
Intangible assets	5	1,423	1,948
Deferred tax assets		10	164
Financial assets		237	241
Total non-current assets		1,765	2,367
Current assets			
Contract assets		29	35
Accounts receivable - trade and other receivables		51	88
Current tax assets		6	12
Other current receivables		39	25
Cash and cash equivalents		215	165
Total current assets		340	325
TOTAL ASSETS		2,105	2,692
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital		53	1,198
Additional paid in capital		5,829	5,829
Reserves		-312	-327
Retained earnings		-5,883	-6,342
Shareholders' equity, owners of the Parent Company		-313	358
Non-controlling interests		40	39
Total Shareholders' equity		-273	397
Non-current liabilities			
Borrowing		1,053	993
Lease liabilities		56	-
Convertible bond			27
Deferred tax liabilities		96	130
Pension obligations	6	655	566
Other non-current liabilities		4	16
Total non-current liabilities		1,864	1,732
Current liabilities			
Convertible bond		29	
Accounts payable - trade		29	45
Current tax liabilities		5	7
Accrued liabilities		104	112
Contract liabilities		237	321
Other current liabilities		58	64
Provisions		17	6
Lease liabilities		35	8
Total current liabilities		514	563
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		2,105	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	-	-	-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	-	-	15	-686	-671	4	-667
Reduction of the share capital	-1,145	-	-	1,145	0	-	0
Dividend non-controlling interest	-	-	-	-	-	-3	-3
Closing balance, December 31, 2019	53	5,829	-312	-5,883	-313	40	-273

Consolidated statement of cash flows

SEK M	Note	Oct-dec 2019	Oct-dec 2018	Jan-Dec 2019	Jan-Dec 2018
Operating income		-26	-565	-396	-513
Adjustments for					
Depreciation, amortization and impairment		48	602	472	719
Capital gain/loss and other non-cash items		-1	-4	38	-33
Financial items, net		-5	-21	-6	-36
Income tax paid		-1	7	-6	-11
Cash flow from operating activities before changes in working capital		15	19	102	126
Changes in working capital		26	8	-51	-81
Cash flow from operating activities		41	27	51	45
Acquisitions/divestments of Group companies and other assets		0	16	77	16
Investments in non-current assets, net		-5	-8	-18	-66
Cash flow from investing activities		-5	8	59	-50
Proceeds from borrowings		-	979	-	1,031
Repayment of borrowings		24	-915	-13	-925
Repayment of leasing debt		-12	-	-40	-
Long-term investments		-	18	-	18
Dividend on preference shares		-	-	-	-
Dividend non controlling interests		2	0	-3	-5
Rights issue		-	-3	-	-
Cash flow from financing activities		14	79	-56	119
Cash flow for the period		50	114	54	114
Cash and cash equivalents at start of period		165	48	165	51
Cash flow for the period		50	114	54	114
Exchange rate differences in cash and cash equivalents		0	3	-4	0
Cash and cash equivalents at end of period		215	165	215	165

Parent Company accounts

Income statement

	Oct-dec	Oct-dec	Jan-Dec	Jan-Dec
SEK M	2019	2018	2019	2018
Operating revenue	7	8	23	21
Administration costs	-10	-12	-38	-48
Other income/costs	-2	0	-4	-1
Operating income	-5	-4	-19	-28
Financial items, net	-19	-776	-443	-772
Income before tax	-24	-780	-462	-800
Income tax	0	6	-53	7
Net income	-24	-774	-515	-793

Balance sheet

	Dec.31	Dec. 31
SEK M	2019	2018
Assets		
Shares in subsidiaries	1,086	1,462
Deferred tax assets	0	53
Receivables on group companies	0	0
Financial assets	217	217
Total non-current assets	1,303	1,732
Receivables on group companies	18	5
Other current receivables	1	4
Cash and cash equivalents	10	5
Total current assets	29	14
TOTAL ASSETS	1,332	1,746
Shareholders equity and liabilities		
Shareholders' equity		
Share capital	53	1,198
Restricted equity	53	1,198
Share premium reserve	704	704
Retained earnings	-116	-468
Net profit	-515	-793
Non-restricted equity	73	-557
Total equity	126	641
Borrowing	1,053	993
Convertible bond		27
Pension obligations	73	73
Total non-current liabilities	1,126	1,093
Convertible bond	29	
Accounts payable	1	6
Liabilities to group companies	45	0
Other current liabilities	5	6
Total current liabilities	80	12
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,332	1,746

Notes to the consolidated accounts

Note 1 Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The Parent Company prepares its statements in accordance with the Swedish Annual Accounts Act and Swedish Financial Reporting Board's recommendation RFR 2.

The accounting policies applied in this interim report correspond with those contained in the Annual Report for the financial year ending December 31, 2018, which was prepared in accordance with International Financial Reporting Standard (IFRS) and IFRIC interpretations as endorsed by the European Union (EU) and should be read in combination with these. However, consideration must be given to the new standard on leasing that came into force in 2019.

Leases (IFRS 16)

IFRS 16 Leases replaces IAS 17 leases and established the principles for recognizing, measuring, presenting and providing disclosures in leases. The changes to the standard require differentiation between finance and operating leases and require that the lessee recognize assets and lease liabilities for most leases in the balance sheet. In the income statement, operating expenses are replaced by depreciation of the assets and interest expenses for the lease liabilities. In the cash flow statement, payments attributable to amortization of the lease liability will be recognized in financing activities and payments attributable to the interest portion will be recognized in the operating activities.

The Eniro Group has applied IFRS 16 from the required application date, January 1, 2019, without restating comparative information.

Lease liabilities are initially calculated on transition at the present value of future lease payments, discounted by the incremental borrowing rate on commencement on January 1, 2019. Right-of-use assets are initially recognized at an amount corresponding to the lease liability, adjusted by any prepaid lease payments. Short leases with a term of less than one year and low-value leases are exempted in accordance with the exemptions permitted by the standard. After the commencement date, the lease liability is remeasured to reflect retesting and amendments to leases. Revaluations of the lease liability are adjusted to the right-of-use assets.

The Parent Company has chosen the option in RFR 2 to not apply IFRS 16, which means that the recognition of leases in the Parent Company has not changed.

The effect of IFRS 16 entails a positive impact on EBITDA of approximately SEK 40 M and an increase of total assets by approximately SEK 88 M.

Note 2 Segment information

Eniro reports its financial results distributed among the *Digital marketing* and *Voice* business areas. Digital marketing 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.

SEK M	Digital marketing				Voice			
	Oct-dec 2019	Oct-dec 2018	Jan-dec 2019	Jan-dec 2018	Oct-dec 2019	Oct-dec 2018	Jan-dec 2019	Jan-dec 2018
Operating revenue								
Sweden	80	97	339	399	14	19	65	88
Norway	40	71	212	304	8	9	31	36
Denmark	44	53	178	202	0	0	0	0
Finland	6	5	23	18	54	49	212	175
Poland	0	17	0	171	0	0	0	0
Total	170	243	752	1,094	76	77	308	299
EBITDA	21	30	78	174	5	11	48	56
Loss sale of subsidiary								
Items affecting comparability ¹⁾	31	2	22	2	6	0	1	1
Adjusted EBITDA	52	32	100	176	11	11	49	57
Depreciation/amortization	-45	-29	-145	-136	-2	-3	-21	-10
Impairment losses	0	-529	-265	-529	0	-41	-41	-44
Operating income	-24	-528	-332	-491	3	-33	-14	2

SEK M	Other				Total			
	Oct-dec 2019	Oct-dec 2018	Jan-dec 2019	Jan-dec 2018	Oct-dec 2019	Oct-dec 2018	Jan-dec 2019	Jan-dec 2018
Operating revenue								
Sweden	-	-	-	-	94	116	404	487
Norway	-	-	-	-	48	80	243	340
Denmark	-	-	-	-	44	53	178	202
Finland	-	-	-	-	60	54	235	193
Poland	-	-	-	-	-	17	-	171
Total	-	-	-	-	246	320	1,060	1,393
EBITDA	-4	-4	-50	-24	22	37	76	206
Loss sale of subsidiary	0		32		0	0	32	0
Items affecting comparability ¹⁾	-39	-1	-39		-2	1	-16	3
Adjusted EBITDA	-43	-5	-57	-24	20	38	92	209
Depreciation/amortization	0	0	0	0	-48	-32	-166	-146
Impairment losses	0	0	0	0	0	-570	-306	-573
Operating income	-4	-4	-50	-24	-26	-565	-396	-513
Net financial items					-31	10	-78	-67
Taxes					12	-2	-160	-8
Net income for the period					-45	-557	-634	-588

1) Items affecting comparability consist of restructuring costs and adjustments in accordance with 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 the 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. 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 the bonus issue effect on new issue.

SEK M	Oct-dec 2019	Oct-dec 2018	Jan-Dec 2019	Jan-Dec 2018
Earnings attributable to owners of the Parent Company	-46	-558	-637	-592
Dividend established for cumulative preference shares during the period	-	-	-	-
Earnings used for calculating earnings per ordinary share, before dilution	-46	-558	-637	-592
Coupon rate for convertible bonds	1	1	1	1
Earnings used for calculating earnings per ordinary share, after dilution	-45	-557	-636	-591
Average number of ordinary shares before dilution, 000s	66,556	66,556	66,556	66,433
Adjustments for the calculation of earnings per ordinary share after dilution:				
- Convertible bonds	207	207	207	207
- Warrants ²⁾	-	258	-	258
Average number of ordinary shares after dilution, 000s	66,763	67,021	66,763	66,898
Earnings per ordinary share before dilution, SEK	-0.69	-8.38	-9.57	-8.91
Earnings per ordinary share after dilution, SEK ¹⁾	-0.69	-8.38	-9.57	-8.91
Preference shares on closing date, 000s	259	259	259	259

1) As earnings per ordinary share after dilution resulted in a reduced loss, the ordinary shares did not give cause to any dilution effect.

2) The decision at the 2016 Annual General Meeting regarding the warrant program directed to the Board and to certain senior executives expired on May 31, 2019 without any warrants being exercised.

Note 4 Financial instruments by category

Assets and liabilities on the balance sheet	Dec.31	Dec. 31
SEK M	2019	2018
Financial assets valued to accrued acquisition value		
<i>Non-current assets</i>		
Interest-bearing receivables, blocked bank funds	191	196
<i>Current assets</i>		
Accounts receivable - trade and other receivables	68	94
Cash and cash equivalents	215	165
TOTAL	474	455
Financial liabilities valued to accrued acquisition value		
<i>Non-current liabilities</i>		
Borrowing	1,053	993
Lease liability	56	-
Convertible bond	0	27
Other financial liabilities	4	16
<i>Current liabilities</i>		
Borrowing	-	-
Convertible bond	29	
Lease liability	35	8
Accounts payable - trade and other liabilities	87	109
TOTAL	1,264	1,153

Note 5 Goodwill

	Dec.31	Dec. 31
SEK M	2019	2018
At start of year	1,470	2,006
Disposal of goodwill relating to Proff companies	-124 *	0
Impairment loss for the period	-306	-568
Exchange rate difference	-6	32
Carrying amount	1,034	1,470

* This amount has been recognized as a deduction from the result of the sale of shares in subsidiaries.

Impairment testing

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., Digital marketing 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.

Testing of the value of all of the Group's intangible assets is conducted annually or when indications of significant changes in assumptions have been identified. When preparing the accounts for the interim report, the company performed a detailed analysis of the carrying amount of the Group's operating assets including goodwill, known as an impairment test.

An impairment test is based on a number of different assumptions regarding the future performance of the operations. Such assumptions are always associated with varying degrees of uncertainty.

Considering the Group is still in the adjustment phase of its business model, some uncertainty remains. The most critical assumption is the company management's assessment of the pace of the transition that Eniro is undergoing. Eniro estimates that the customer base will increase in the coming years.

The acceptance of Eniro as a digital marketing partner among customers is a key requirement for addressing the assumed continued slowdown and leveling off of the current core operations. If the transformation of Eniro's service offering does not

have an impact on sales at the pace assumed by the company management or if other assumptions on which the impairment test was based change negatively, there will be a need for further impairment as the assumed cash flow will not materialize or will be postponed to the future. Due to the uncertainty regarding when and at what pace the transformation will occur, Eniro increased the risk premium in WACC by a further 1.8% compared with the preceding year for this impairment test. Combined with the other amended assumptions, this entailed an impairment of SEK -306 M.

Supplementary disclosure - deferred taxes

Another consequence of the impairment test is a changed assessment of the Group's deferred tax assets. The increased complexity that the new rules on interest deduction restriction has been taken into account. Overall, this means these deferred tax assets were impaired in the amount of SEK -169 M.

Note 6 Pension obligations

The present value of pension obligations depends on a number of factors that are established by an independent actuary based on a number of assumptions. Each change in these assumptions will impact the carrying amount of pension obligations. Key assumptions are the discount rate, expected return on plan assets, future salary increases, inflation and demographic conditions.

The low market interest rates are reflected in the change in the discount rate for measuring the pension liability in accordance with IAS 19. The sharp decline in the assumption for the discount rate in 2019 from 2.3% at the start of the year to 1.6% on December 31, 2019 resulted in a significant increase in the pension liability.

Group Key ratios

	Dec.31 2019	Dec. 31 2018
Equity, average 12 months, SEK M	41	935
Return on equity (ROE), 12 months, %	neg	neg
Return on Assets (ROA), 12 months, %	neg	neg
Earnings per ordinary share before dilution, SEK	-9.57	-8.91
Earnings per ordinary share after dilution, SEK	-9.57	-8.91
Interest-bearing net debt excluding convertible bond and pension obligations, SEK M	-920	-822
Debt/equity ratio, times	-3.4	2.1
Equity/assets ratio, %	-13	15
Interest-bearing net debt excluding convertible bond and pension obligations/EBITDA 12 months, times	12.1	4.0
Interest-bearing net debt excluding convertible bond and pension obligations/adjusted EBITDA 12 months, times	15.3	3.9
Average number full-time employees	838	1,461
Number of full-time employees on closing date	787	889
Number of ordinary shares before dilution on closing date after deduction of treasury shares, 000s	66,556	66,556
Number of ordinary shares after dilution on closing date after deduction of treasury shares, 000s	66,763	67,021
Number of preference shares on closing date, 000s	259	259

Key ratios per share

	Dec.31 2019	Dec. 31 2018
Equity per share, SEK	-4.68	5.36
Share price for ordinary shares at end of period, SEK	0.97	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) * 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 100	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.
EBITDA margin (%)	EBITDA divided by operating revenue.	(EBITDA/Operating revenue) x 100 See "Calculation of EBITDA margin".	EBITDA in relation to operating revenues 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	(Shareholders' equity attributable to owners of the	Shareholders' equity per share measures the Group's net value

	Parent Company divided by the number of shares at the end of the period, excluding treasury shares.	Parent Company)/(Number of shares at the end of the period, excluding treasury shares) x 1,000	per share.
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Financial non-IFRS measures, cont.

Name	Definition	Calculation	Purpose
Adjusted EBITDA	EBITDA excluding restructuring costs, reallocation of costs in accordance with IFRS 16 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 revenues 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 after 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/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, as well as lease expenses reallocated in accordance with IFRS 16.	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	(Average shareholders' equity attributable to owners of the	

	Parent Company per quarter, based on the opening and closing balance for each quarter.	Parent Company per quarter (OB+CB)/2 for the last four quarters/4.	
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Other measures

Name	Definition	Calculation	Purpose
Average number of full-time employees	Calculated as the average 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 of Financial non-IFRS measures

Reconciliation of operating income and adjusted EBITDA

SEK M	Oct-dec 2019	Oct-dec 2018	Jan-Dec 2019	Jan-Dec 2018
Operating income	-26	-565	-396	-513
Depreciation/amortization	48	32	166	146
Impairment losses	0	570	306	573
Total EBITDA	22	37	76	206
Items affecting comparability				
Loss sale subsidiary	0	0	32	0
Restructuring costs	10	1	24	2
IFRS 16 Lease	-12	0	-40	1
Total adjusted EBITDA	20	38	92	209

Calculation of EBITDA margin

	Oct-dec 2019	Oct-dec 2018	Jan-Dec 2019	Jan-Dec 2018
EBITDA	22	37	76	206
÷ Operating revenue	246	320	1,060	1,393
= EBITDA margin %	8.9	11.6	7.2	14.8

Calculation of adjusted EBITDA margin

	Oct-dec 2019	Oct-dec 2018	Jan-Dec 2019	Jan-Dec 2018
Adjusted EBITDA	20	38	92	209
÷ Operating revenue	246	320	1,060	1,393
= Adjusted EBITDA margin %	8.1	11.9	8.7	15.0

Reconciliation of operating expenses

	Oct-dec	Oct-dec	Jan-Dec	Jan-Dec
SEK M	2019	2018	2019	2018
Production costs	-104	-102	-402	-399
+ Sales costs	-70	-107	-319	-484
+ Marketing costs	-10	-23	-88	-101
+ Administration costs	-74	-52	-219	-213
+ Product development costs	-19	-32	-104	-144
+ Deduction of depreciation	9	3	41	13
+ Deduction of amortization	39	29	125	133
= Operating expenses	-229	-284	-966	-1,195

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

	Dec.31	Dec.31
SEK M	2019	2018
Borrowing	-1,053	-993
+ Lease liability	-91	-8
+ Other non-current interest-bearing receivables ¹⁾	9	14
+ Cash and cash equivalents	215	165
= Interest-bearing net debt excluding convertible bond and pension obligations ²⁾	-920	-822

1) The amount pertains to pledged bank funds as security for leases in Norway and Finland.

2) In addition to interest-bearing debt, Eniro has SEK 182 M (182) that pertains to pledged bank funds for future pension obligation.

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

	Dec.31	Dec.31
	2019	2018
Interest-bearing net debt excluding convertible		
- bond and pension obligations	-920	-822
÷ EBITDA 12 month	76	206
Interest-bearing net debt excluding convertible bond and pension		
= obligations/EBITDA 12 months, times	12.1	4.0

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

	Dec.31	Dec.31
	2019	2018
Interest-bearing net debt excluding convertible		
- bond and pension obligations	-920	-822
÷ Adjusted EBITDA 12 month	92	209
Interest-bearing net debt excluding convertible bond and pension		
= obligations/adjusted EBITDA 12 months, times	10.0	3.9



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