

## The parent company of Eniro presents a composition proposal including an offer to exchange receivables for newly issued preference shares of series A by way of set-off

The composition proposal entails a composition (Sw. *accord*) of 25 per cent. for the company's wholly or partly unsecured outstanding receivables, *i.e.* a write-down of 75 per cent. The composition payment is paid by either (i) cash or (ii) exchange of the composition receivables for newly issued preference shares of series A by way of set-off. The composition proposal is conditional upon the annual general meeting's resolutions regarding, among other things, amendments to the articles of association and authorisation to the board of directors to issue the new preference shares

On 30 March 2020, the district court of Solna granted a petition for Eniro AB (publ), reg. no. 556588-0936 (the "**Company**" or "**Eniro**") to enter into company reorganisation (Sw. *Företagsrekonstruktion*), which was filed with the district court earlier the same day. As previously announced, Advokat Lars Eric Gustafsson of Advokatfirman Schjødt, was appointed administrator of reorganisation.

Since the day of petition, the Company's board of directors and the administrator of the reorganisation have worked to identify necessary reorganisation measures in order to make Eniro's capital structure and the group's operations viable in the long term. It has been concluded that a composition proposal involving large write-downs of debt is crucial in order for the Company to avoid going into bankruptcy. In addition, the Company and the group has an obligation to fulfil a previously established cost-savings program. The Company's composition proposal is presented below. The composition proposal is conditional upon the annual general meeting's resolutions regarding, among other things, amendments to the articles of association and authorisation to the board of directors to issue the new preference shares.

### The composition proposal

#### *Categories of creditors*

The Company has three categories of creditors that are covered by the composition proposal:

1. Bondholders (the "**Bondholders**") of 2018/2021 SE0011452440 ENIRO01 (the "**Bond**"), secured by share security in the Company's subsidiaries.
2. Convertible debt holders (the "**Convertible Debt Holders**") of 2015/2020 SE0006789830 Eniro KV 1 (the "**Convertible Loan**"), unsecured.
3. Other creditors (the "**Other Creditors**"), unsecured.

#### *Approach and scope*

Firstly, the partially secured Bond and the unsecured Convertible Loan shall carry out separate voting procedures in accordance with the applicable loan terms, in order to

conclude whether or not the composition proposal is accepted. These creditors will receive written information from the agent Nordic Trustee & Agency AB (publ) (the “**Agent**”) regarding the voting procedures. In the event that the composition proposal is not accepted by the Bondholders, the Company will be declared bankrupt. If the proposal is accepted by the Bondholders but not by the Convertible Debt Holders, the Company intends to submit a proposal for a judicial composition (Sw. *offentligt ackord*) in accordance with Chapter 3, Section 10 of the Company Restructuring Act (Sw. *lag (1996:764) om företagsrekonstruktion*). Other Creditors who receive this composition proposal are asked to accept the proposal by no later than 4 June 2020. The Other Creditors will be served notices if the Company does not request a public composition.

#### *The Bondholders’ participation in the composition*

The Bondholders’ contractual security package comprises (i) a share pledge over the shares in Eniro Treasury AB, and (ii) security over certain intra-group receivables which shall only be pledged in accordance with certain criteria. However, the receivables have not been pledged as these do not fulfil the aforementioned criteria. The value of the share pledge is considered to correspond to approximately SEK 402,400,000 and the unsecured receivable, which is covered by the composition, is therefore considered to amount to SEK 586,350,000.

#### *The implication of the composition*

The composition proposal involves a composition of 25 per cent. of the Company’s wholly or partly unsecured receivables, *i.e.* a write-down of 75 per cent. Together with the administrator, the Company has established contact with the Bondholders’ and Convertible Debt Holders’ agent, Nordic Trustee & Agency AB (publ), with the purpose of conveying the composition proposal. Below is a table showing the debt as per the date of petition for reorganisation and the amount of debt that will remain post composition.

<b>Creditor</b>	<b>Unsecured debt as per the date of petition for reorganisation (SEK)</b>	<b>Debt following composition (SEK)</b>
Unsecured debt of the Bondholders	≈ 586,350,000	≈146,587,500
Convertible Debt Holders	≈ 29,600,000	≈ 7,400,000
Inter company debt	≈ 40,800,000	≈ 10,200,000
Other Creditors	≈ 21,533,000	≈ 5,383,250
<b>Total:</b>	≈678,283,000	≈169,570,750

#### *Composition payment*

The composition payment will be advanced either through (i) cash payment, if a voluntary composition is concluded, in connection with the end of the subscription period for the new issue of preference shares of series A, in accordance with the statement set out below, but no later than 30 September 2020, or if a judicial composition becomes necessary, no later than 12 months after the district court’s decision to approve the composition has become legally binding; alternatively (ii)

exchange of the composition receivables for newly issued preference shares of series A by way of set-off.

#### *Details of set-off (exchange)*

The composition payment by set-off (exchange) implies the possibility to subscribe for new preference shares of series A at a subscription price of SEK 0.89 per share, whereby payment will be made through set-off against the written-down receivables following the composition. Each preference share has a preferential right of SEK 1.60 per share and an annual dividend of SEK 0.10 per share. The annual dividend of SEK 0.10 per share will be paid from and include the year the new preference shares have been registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*). The new preference share will have preferential rights vis-à-vis the Company's ordinary shares and existing preference shares in a redemption procedure up to an amount of SEK 1.60 per share plus accrued but unpaid dividends which is adjusted upwards by a factor corresponding to 20 per cent. per year. No dividend on, or redemption of, the Company's ordinary shares or other preference shares can be made before all preference shares of series A have been redeemed. Holders of preference shares of series A may resolve on a shareholders' meeting to convert the preference shares to ordinary shares if such resolution is approved by two-thirds (2/3) of the preference shareholders that are present at such meeting. Each new preference shares of series A will entitle the holder to one (1) vote, which corresponds to the voting rights of the ordinary shares.

If the composition proposal is accepted, the Company will apply to list and admit the newly issued preference shares to trading. The fulfilment of the composition requires that the entire Bond accepts repayment through subscription (exchange) of newly issued shares.

#### **Preliminary schedule**

2020-06-04	Other Creditors' filing of composition approval and authorisation to the administrator of the reorganisation
2020-06-08	Decision on the composition by the Bondholders
2020-06-08	Decision on the composition by the Convertible Debt Holders
2020-09-30 (latest)	The composition payment is paid (if voluntary composition)
2020-09-30 (latest)	Issuance of shares (voluntary composition)
12 months after the district court's decision on a composition having become legally binding	The composition payment is paid (if judicial composition)

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#### ***For more information, please contact:***

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*Eniro is a Nordic company that helps small and medium-sized companies with 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. The company 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 4.7 million unique visitors. Eniro is listed on Nasdaq Stockholm [ENRO] and its head office is located in Stockholm.*