



Press release 2017-08-21

Update regarding discussions of underwriting and adjusted loan terms

A group of larger holders of convertible loans led by Tedde Jeansson (the “Group of Investors”) is together with Pareto (who is acting on behalf of Eniro) working towards arranging a group of underwriters in order to secure that the cash issue of SEK 275 million is fully subscribed, provided that the bank consortium accept certain adjustments of the loan terms that have been presented in conjunction with the Company’s recapitalization plan. The banking consortium and the Group of Investors has reached a consensus regarding the adjustments of the interest rate and amortisations if the entire cash issue of SEK 275 million is fully underwritten. The board of directors of Eniro is positive to the proposed adjustments which the banking consortium and the Group of Investors have reached a consensus on. No binding commitments from the Company, Group of Investors, other underwriters or the banking consortium exist today. The adjusted loan terms are contingent on, among other things, final approval from each respective banks credit committee and that a complete group of underwriters is arranged. Eniro intends to announce further information as soon as credit committee approval and/or a complete group of underwriters have been finalized.

Background to the underwriting

According to the current recapitalization plan the banks will write off bank loans corresponding to the amount subscribed for in the cash issue. For the part of the cash issue that is not subscribed for, the banks will convert bank loans into ordinary shares instead of a write off of bank loans. If no shares are subscribed for in the cash issue, the banks will thus receive shares corresponding to SEK 550 (2x275) million from this part of the Recapitalization.

If a group of underwriters and a credit committee approval regarding adjusted loan terms is achieved, the full subscription of the cash issue will be secured, which will consequently mean that:

- Eniro’s cash flow is further improved, stemming from adjusted loan terms.
- The dilution effect from the banks’ conversion undertakings in the cash issue is limited.
- The banks will write off SEK 275 million of loans rather than converting the amount to ordinary shares, which also limits dilution.

The underwriting as described above would entail compensation to the underwriters corresponding to 10 percent to be paid in newly issued shares at market price.

Discussed adjustments of Eniro’s loan terms

The banking consortium and the Group of Investors have reached a consensus about the following adjustments to interest rate and amortisations in exchange for that the entire cash issue of SEK 275 million is fully underwritten. An interest rate margin of 2.00 percent per quarter is paid on remaining bank loans. A further interest rate consisting of reference rate +4.00 percent PIK (interest is accrued and increases the loan amount) is to be paid in the case Eniro fails to pay the minimum extra amortisation (“**MEA**”) (defined below) at the end of each respective period. Such a PIK interest rate will be applicable from the start of the period in which the MEA has not been paid and will be applicable until Eniro have paid the MEA which is due for payment.

Additionally, mandatory amortisation shall be due according to the following schedule:

2018: SEK 20 million (SEK 5 million per quarter)

2019: SEK 20 million (SEK 5 million per quarter)

2020: SEK 80 million (SEK 20 million per quarter)

Eniro's bank terms stipulates that cash or cash equivalents which exceed SEK 50 million is to be used for amortisation, and if Eniro makes additional amortisations (in excess of the mandatory amortisation) in accordance with the table below (MEA ref. above), or with a larger amount, it will entail a write off of bank loans according to the percentages below based on the amount which is amortised in excess of the mandatory amortisation.

Period:	Minimum extra amortisation (MEA):	Write off:
Up until Q3 2018	SEK 10 million	25%
Q4 2018 – Q1 2019	SEK 10 million	20%
Q2 2019 – Q3 2019	SEK 10 million	15%
Q4 2019 – Q2 2020	SEK 36.25 million	10%
Q3 2020 – Q4 2020	SEK 26.25 million	5%

If Eniro pays the combined MEA amount of SEK 92.5 million, or alternatively during the specified time period amortises in excess of the MEA amount, the write off that is corresponding to the applicable time period for such a repayment shall be applied to the total amount.

Additionally, Eniro shall receive a refinancing discount, in accordance with the table below, if the Company repays its loans in their entirety (all facilities, incl. RCF) and all the banks commitments in the loan agreement is cancelled. The calculation of nominal amount includes any accumulated PIK interest and add-back of any previous write offs made by the banks as a result of extra amortisations, as described above.

Period:	% of nominal amount
Up until Q3 2018	25%
Q4 2018 – Q1 2019	20%
Q2 2019 – Q3 2019	15%
Q4 2019 – Q2 2020	10%
Q3 2020 – Q4 2020	5%

Financial impact as a result of the consensus which has been reached between the Group of Investors and the bank consortium regarding adjusted loan terms

As a result of the consensus which has been reached between the Group of Investors and the bank consortium regarding the adjusted loan terms, Eniro's cash flow will be improved in comparison to the original loan terms previously communicated in the recapitalisation plan. Below table illustrates the differences in cash flow between the original agreement and the new agreement based on an illustrative loan amount of SEK 900 million after the recapitalization.

Period	Original agreement			New agreement		
	Interest	Amortisation	Total	Interest	Amortisation (incl. MEA)	Total
2018	54	20	74	18	35	53
2019	53	80	133	17	47	64
2020	48	150	198	16	130	147

Acceptance level of the Exchange Offers

The Exchange Offers are conditional upon the acceptance of the Exchange Offers by both preference shareholders who together own at least 95 percent of all preference shares and holders of convertible loans who together hold at least 95 percent of the outstanding nominal amount¹. As at 26 July 2017 the Exchange Offers had been accepted by preference shareholders with a total holding corresponding to approximately 73 percent of all outstanding preference shares and by holders of convertible loans with a total holding corresponding to approximately 57 percent of the outstanding nominal value of the convertible loans in Eniro. If the Group of Investors which earlier have waited to accept the Exchange Offers accepts, the acceptance level for the holders of convertible loans will increase by approximately 23 percentage points to approximately 80 percent of the outstanding nominal value of the convertible loans based on the acceptance level as at 26 July 2017.

If the required acceptance level is not achieved in the Exchange Offers, no amended loan agreement will enter into force. At the same time, the deferment according to the stand-still agreement will cease, which entails that the lending banks have the right to demand the immediate repayment of all outstanding loans. As Eniro lacks the funds to repay its loan obligations if immediate repayment was demanded, the board of directors intends to, in this eventuality, apply for a company reorganization at the district court. The current acceptance period for the exchange offers run until 25 August 2017.

Erneholm Haskel is financial advisor to Eniro regarding the recapitalization plans, together with the legal advisors Nord Advokater and Ramberg Advokater. Pareto Securities is Sole Manager and Gernandt & Danielsson Advokatbyrå is legal advisor to Eniro in relation to the Exchange Offers. Roschier Advokatbyrå is legal advisor to Pareto Securities.

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This information is information that Eniro AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 08.30 CET on 21 August 2017.

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¹ Eniro's board of directors may, after obtaining approval from the lending banks and the group of underwriters, decide to carry out the Exchange Offers even at a lower acceptance level.

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