

TRANSLATION FOR CONVENIENCE PURPOSES ONLY

Preliminary reorganisation plan with attachments sent to creditors of Eniro AB (publ)

As part of the restructuring process for the parent company Eniro AB (publ), a holding company in the Eniro Group, the Administrator Lars Eric Gustafsson has provided the company's creditors with a preliminary reorganisation plan. The reorganisation plan will be presented at a creditor's meeting in Solna District Court on April 28.

The draft reorganisation plan sets out, among other things, the company's financial situation, the need for restructuring, projections for operations 2020-2021 as well as the measures that the company has taken during 2020 with a view to streamlining operations and adapting the organization to prevailing circumstances taking into account the spread of Covid -19.

Voluntary settlement

Within short, the Company intends to present a voluntary settlement (*ackordserbjudande*) of 25 per cent. to its unsecured creditors. The voluntary settlement offer will be presented via the undersigned administrator. The bondholders have received a share pledge over the shares in Eniro Treasury AB. The bondholders will attend the composition offer in light of the remaining debt which they are owed after reduction of the value of the share pledge. In connection with the voluntary composition, the Company intends to perform a directed share issue to its creditors with the aim to limit the amount of cash consideration which it will be required to advance in order to settle its debts in accordance with the composition offer.

The preliminary reorganisation plan in full is available at Eniro's website www.enirogroup.com.

Good future prospects for the business given a successful reorganization

Last year, the group continued to transform its offering from one single product such as listing and ranking on its own local search products to being the small- and medium-sized companies' one-stop-shop for digital marketing services. The Company has also changed its business model from offering manual annual renewals to offering a continuous subscription model. The foregoing measures have led to positive results. The Company and its group had a good start to 2020 and, until mid-March, achieved the budget that had been set for its order bookings. The positive development was mainly driven by improved subscription renewals, whereas sales have halted in relation to new additional sales.

The Company has also evaluated the possibility of improving other aspects of the group's operations, e.g. through changes in the group's product portfolio and an improvement of average revenue per customer. The contemplated changes to the product portfolio include: (1) reducing the number of saleable products; (2) launching new products with longer curing period; (3) proving the value of sold services to the customers; and (4) offering more attractive pricing. The Company is constantly working to improve the customer experience in order to increase subscription renewals. Continued investments in the Company's customer portal will also be important for the business going forward. The Company will continue to primarily invest in transactional marketing in order to grow its new customer base more efficiently. The group also intends to streamline its operating costs through inter alia increased sales efficiency and reduced joint costs in IT and Finance.

The Company has had a falling sales curve for many years, but the trend has stabilised recently. During 2017-2018, the decline in sales (excluding Poland and Proff) was 14 per cent., while the decline in sales the year after was 6 per cent. In February 2020, the Group reported higher sales compared to the same period last year.

The key objective for the Company and its group is to streamline its operations in order to ensure a long-term ability to conduct a successful business. The Company's operational activities show positive earning capacity and positive cash flow in 2019. The liquidity of the group is able to cover payment of a settlement amount and the contemplated business plan by means of the reorganisation. The liquidity of the Company's subsidiaries is good and its subsidiaries can upstream liquidity as long as it benefits the group as a whole. However, there is not sufficient cash to upstream to cover the outstanding amount under the bond and convertible debt, and this therefore jeopardizes the survival of the group.

Changed circumstances due to Covid-19

Until mid-March, the Company's sales were doing well. However, the Company experienced an immediate impact from the Covid-19 pandemic by means of extensive decrease in sales by approximately 50 per cent. during the latter half of March. A major part of the Company's revenues derives from subscriptions, where the impact due to Covid-19 is not immediately impacted. However, the Company is expecting that its subscription-based contract agreements will soon be affected, since its customer portfolio is small- and medium-sized businesses which will most likely be in payment default under their respective contracts or have difficulties in paying for their ongoing subscriptions due to the current financial difficulties globally. Hence, the Company has initiated several cost-saving measures, which inter alia includes redundancies of its employees in order to compensate for the expected decrease in revenues. Based on the forecasts, the Company is assuming that the second and third quarter in 2020 will be challenging in respect of sales and development of its subscription based business. The Company is however expecting a positive turn in the fourth quarter of 2020, which it expects will proceed into the following year.

Summary

Provided that a successful company reorganisation is conducted, the above-mentioned approach indicate that the Company and the operations of Eniro group will be economically viable with high possibilities of preserving real value. The management of the Company sees 2020 as an intermediate year subsequently resulting in good growth in 2021 in order to reach margins and cash flows that are reasonable for the group's business in 2022 and onwards. The expectations are mainly due to the significant reduction in debt burden that a company reorganisation would entail for the Company and its subsidiaries. The measures that the Company has taken and is planning to take in accordance with the above strategies indicate that the Company and its business have great opportunities to create a viable and sustainable business.

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This information is information that Eniro AB (publ) is obliged to make public pursuant to EU market abuse regulation. The information was submitted for publication, through the contact persons above, on 27 April 2020 at 15.00 CET.

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 4,8 million unique visitors. Eniro is listed on Nasdaq Stockholm [ENRO] and its head office is located in Stockholm.