BONNIER

2019

BONNIER ANNUAL REPORT

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Translation from the Swedish original

Board of Directors' Report

The Board of Directors and the CEO of Bonnier AB, corporate registration no. 556508-3663, herewith submit the annual report and consolidated financial statements for the 2019 financial year on pages 3-58.

The Group's business area and business model
Bonnier AB is a parent company in a media group with companies in TV, daily newspapers, business media, magazines, film production, books, e-commerce and digital media and services. The group conducts operations in 12 countries with its base in the Nordic countries and significant operations in the United States, Germany, United Kingdom and Eastern Europe.

The Group's revenue comes from two main categories: partly user revenue from consumers and B2B customers in the form of subscriptions, occasional purchases and events, and partly advertising revenues, primarily from all digital media services, linear TV and print advertising.

The largest external supplier categories are within purchases of rights, printing, books and other goods for sale through e-commerce and IT.

Ownership
Bonnier AB is a wholly owned subsidiary of Bonnier Group AB, a subsidiary of Albert Bonnier AB, which is owned by more than 90 members of the Bonnier family.

Significant events during the financial year
Two major changes of great importance to the business were made in 2019.

Agreement of sale of Bonnier Broadcasting to Telia Company
It was announced in July 2018 that Bonnier AB had signed an agreement with Telia Company to divest Bonnier Broadcasting to Telia, with brands TV4, CMore and Finnish MTV included. The transaction was completed on December 2, 2019, following competition law review by the European Commission.
The puchase consideration is agreed to SEK 9.2 billion for a debt-free company with certain possibilities of additional payments. The consideration was mainly received in 2019 and in conjunction with that the Group's external loans were paid, excluding some commercial paper that was due in the beginning of 2020 and paid at that time. The agreement strengthens Bonnier financially and creates increased stability for the Bonnier business and maneuverability going forward. At the same time, Bonnier Broadcasting gets an owner with good prospects of continous development for TV4, CMore and MTV. As a result, comparative numbers for 2018 have been adjusted for the divested company.

New governance model and organizational structure
In September 2018 Bonnier announced a change in corporate governance by which the previous business areas within Bonnier would develop into operationally independent companies. From January 1, 2019, the governance of the companies has been conducted through the board of each company, instead of through the parent company Bonnier AB. Bonnier AB's organization has operationally been brought together with Bonnier Group (previously Bonnier Holding) in a smaller parent company. The CEO of Bonnier Group is Erik Haegerstrand.

In conjunction with this, Business to Business has been incorporated with Bonnier News. Magazines was split into three parts, the independent companies Bonnier Corporation, Bonnier Publications and Bonnier Magazines & Brands, which is now part of Bonnier News.

[1)] A description of the Group's definitions of key ratios may be found on page 59.

[2)] From the 1st of January, 2019, the Group consist of nine cash-generating units. Bonnier Publications and Bonnier Corporation were previously included in Magazines.
The remaining part of Magazines is now included in News. Businesses have also been transferred from Bonnier News to Adlibris and from Other to Bonnier Books and Bonnier Publications. E-commerce changed its name to Adlibris and Film Studios changed its name to SF Studios. Comparative figures have been adjusted as a result.

Development of the operations, financial position and profit or loss (Group)

SEK million (unless stated otherwise)	2019	2018
Net sales	20,227	18,307
EBITA[1)]	9	-410
Operating profit/loss	-83	-1,439
Net financial items	-49	-158
Profit/loss before tax	-132	-1,597
Profit/loss for the year	2,813	-872
EBITA margin	0.0%	-2.2%
Return on operating capital	-0.9%	n/a
Net debt at year end	776	7,743
Net debt/equity, multiple	0.14	2.12

Business areas

Net sales per business area

SEK million	2019	2018	Change, %
Bonnier Books [2)]	5,770	5,522	4.5%
Adlibris [2)]	2,282	2,341	-2.6%
SF Studios	1,899	1,256	51.2%
Bonnier Ventures	386	358	7.8%
Bonnier Publications [2)]	1,208	1,328	-9.0%
Bonnier Corporation [2)]	1,197	989	21.1%
Bonnier News [2)]	7,579	6,713	12.9%
Other and eliminations [2)]	-93	-200	n/a
Bonnier AB, total	**20,227**	**18,307**	**10.5%**

EBITA[1)] per business area

SEK million	2019	2018	Change
Bonnier Books [2)]	250	148	102
Adlibris [2)]	-217	-116	-100
SF Studios	36	17	19
Bonnier Ventures	-6	-18	12
Bonnier Publications [2)]	142	119	23
Bonnier Corporation [2)]	9	-6	15
Bonnier News [2)]	211	174	37
Other and eliminations [2)]	-416	-727	311
Bonnier AB, total	**9**	**-410**	**418**

Bonnier Books consists of publishing companies in Finland, Norway, Poland, Great Britain, Sweden and Germany, bookstores in Sweden, Norway and Finland and e-book service BookBeat. Bonnier Books increased its revenue to SEK 5.8 billion (5.5) in 2019, primarily characterized by an improved EBITA of SEK 250 million (148) and a maintained strong cash flow, despite investments in growth and a declining retail market for physical books in the Nordic countries.The publishing businesses in Germany delivered, without the presence of any real best sellers, its highest revenue and best result in ten years. The British publishing operation reported increased sales and a positive result, following changes that were initiated in 2018. It is also good news that WSOY in Finland reported another good year and that the Swedish publishing group Bonnierförlagen reported yet another stable year despite a weak retail market for physical books. For the second consecutive year, 50 percent-owned Cappelen Damm reported a weak profit, burdened by weak sales linked to forthcoming school material reforms in Norway and due to continued losses in the bookstore chain Tanum. Akademiska Bokhandeln in Finland also reported a negative result, while Pocketshop improved its result, following consolidation and focusing efforts.In 2019, the publisher Bazar was acquired by WSOY in Finland, but otherwise no larger structural changes were made. Investing activities were primarily focused on the audio- and e-book service BookBeat, which maintained its three-digit percentage growth rate, in terms of both revenue and number of users. The number of subscribers amounted to approximately 250,000 at the end of the year.

Adlibris offers books, toys and office supplies through internet trade**.** Adlibris sales amounted to SEK 2.3 billion, a decrease of three percent compared with the previous year. Book sales declined by one percent, affected mainly by lower sales to private customers. B2B and library sales were up compared to the previous year due to procurement contracts. Sales of articles other than books decreased during the year as price and product range revisions were carried out.EBITA for the year amounted to SEK -217 million, a decrease of SEK -101 million compared with 2018, explained by nonrecurring costs, mainly attributable to stock, IT and staffing. Adjusted for non-recurring costs, the underlying gross margin was strengthened by approximately one percentage point, while EBITA on a comparable basis improved by SEK 26 million compared with the previous year. In addition to online stores with a wide range of books, yarns, toys, crafts, stationery, kitchenware and decorations, the Adlibris Group also includes digital sales of newspaper subscriptions, gift cards and sales of magazines for waiting rooms. Sales and deliveries at the end of the year worked well.

SF Studios produces and distributes films and TV series focusing on the Nordic market. SF Studios took another step in sales and profitability in 2019, with an EBITA of SEK 36 million compared with SEK 17 million last year. In general, SF Studios produced more than ever, with a more stable distribution and improved exploitation of the rights catalog. In 2019, 69 percent of the production company FLX was acquired. Distribution operations contributed slightly more than in the previous year, despite the fact that most of the local Nordic cinema releases during the year had a negative impact. Distribution was positively affected by the fact that SF Studios now distributes Warner in Sweden as well as Sony, which during the year was added in all four countries. The three most profitable distribution titles in 2019 were *Joker*, *Britt-Marie var här* and *Once Upon a Time in Hollywood*. Production operations improved their earnings compared to 2018 with a positive contribution from both FLX and Norwegian Paradox. The production rate was high with more than 15 productions in 2019, which is expected to be maintained in the coming years. The narrative film *Horizon Line* as well as the TV productions *Alex*, *Åreakuten* and *Rita* are some of the year's notable productions. Digital Services improved its earnings and saw good growth during the year for the consumer services SF Anytime and SF Kids.

Bonnier Ventures represents Bonnier's venture capital company. In addition to the venture portfolio the agency network Real Agency Group is also included. Six new investments totaling SEK 111 million were made in 2019 – Doktor.se, online medical support; Kitab Sawti, offering audiobooks in Arabic; Sulapac, developer of biodegradable and microplastic-free plastic alternatives; Woshapp, an environmentally friendly car wash platform; Pilloxa, a digital partner for clinical studies; and All Ears, media monitoring service for spoken a media. Acast had strong growth in 2019 and is in the process of attracting American investors. During the year, Bonnier Ventures sold its holdings in the production company FLX and Perfect Day.Real Agency Group increased agency revenues by 11 percent in 2019 and during the year it started Spoon Inhouse.

Bonnier Corporation is a US based magazine- and event company. Bonnier Corporation's turnover in 2019 amounted to SEK 1.2 billion (1.0). EBITA amounted to SEK 9 million, an improvement of SEK 15 million compared to 2018. The company showed growth in the event business. The operation within Working Mother increased membership income from companies and also consultancy income. The market for the company's traditional media products remained weak with reduced advertising and subscription revenues. Event operations contributed strongly to profit and turnover during the year. The magazines *Sport Diver* and *Scuba Diving* were sold at the half-year. During the year, the company signed new licensing agreements by which, for example, kitchenware in 2020 will be sold under the Saveur Cookware brand.

Bonnier Publications business, run from Denmark, is the leading Nordic publisher of special-interest magazines. It reported EBITA of SEK 142 million, a clear improvement compared with SEK 119 million the previous year. High profitability in the traditional magazine business partly enabled it to deliver a strong result and at the same time invest in new digital products. The EBITA margin of 12 percent was among the highest in the industry and an improvement from 9 percent the previous year. As readers' habits change, demand for print media decreases, affecting the magazine market. Turnover for Bonnier Publications amounted to SEK 1.2 billion (1.3) for the year 2019. Bonnier Publications is in a transition phase where sales of print media are expected to continue to decline. During the year, digital subscriptions for *Illustrerad Vetenskap* and *Historia* were launched in four countries. The decline in print media sales is not yet fully offset by digital revenue growth.

Bonnier News offers a wide variety of media from daily newspapers and magazines to e-learning and business to business services. The daily newspapers offered include Dagens Industri, Expressen, Dagens Nyheter and HD-Sydsvenskan and a large number of local newspapers. Bonnier News' revenue in 2019 amounted to SEK 7.6 billion (6.7), of which the newly acquired MittMedia contributed SEK 1.2 billion. EBITA amounted to SEK 211 million (174), of which MittMedia accounted for SEK -71 million. The figures from last year include Bonnier Magazines & Brands and Business to Business. As a consequence of the company's digital transformation and in line with Bonnier News' strategy, cost synergies have been achieved in conjuction with the acquisition as well as in existing operations. For example, Magazines & Brands reported a positive result compared to the previous year's losses, despite decreased revenue. Subscriptions increased by approximately two percent compared to the previous year. Revenues from single copy sales (primarily Expressen and Magazines & Brands), as well as from print subscriptions decreased compared to the previous year. However, many of the papers within News had strong growth in digital subscriptions, in terms of both revenues and the number of subscribers. The overall effect is that the growth in digital revenue exceeded the decrease in print revenue. The decrease in advertising revenues of about 11 percent compared to the previous year largely reflects a strongly challenged market in, among other things, motor, travels, interior design and gaming. The impact on gaming was largely for regulatory reasons. However, Bonnier News' companies achieved a good result in 2019 compared to the market, both in print and digital, and market share also increased. Bonnier News' operations reported lower production and distribution costs in 2019 compared with the previous year, largely driven by efficiency improvements and lower circulation. This is despite the fact that some actions will not take full effect until 2020. On April 1, MittMedia, a media group with 28 daily newspaper titles and local brands in central Sweden, was acquired. At the end of the year, *Lokaltidningen*, a free magazine with 28 local titles in southern Sweden, was acquired, as well as *Dagens Samhälle*, a strong brand within the public sector covering municipal and regional issues.

Other and eliminations consist partly of a number of smaller operating companies that together had revenue of SEK 159 million (166) and with an operational result of SEK -31 million (-1), and partly of Group activities and functions. Costs for these functions were reduced by SEK 97 million compared to last year, from 522 to SEK 425 million.

Capital structure

Operating capital

SEK million	31 Dec. 2019	31 Dec. 2018
Property, plant and equipment and intangible assets, excl. goodwill, right-of-use asset	3,598	4,336
Working capital	-1,833	-1,837
Tax	973	964
Other financial assets	969	1,083
Goodwill	2,576	6,847
Operating capital	**6,283**	**11,393**
Net debt	776	7,743
Equity[1)]	5,507	3,650
Financing of operating capital	**6,283**	**11,393**
Net debt/equity, multiple	**0.14**	**2.12**

Risks and uncertainties

The most significant external factors affecting the Group's results are the development of the Swedish economy, consumer spending, advertising investment and consumer confidence in the future. The corresponding factors in the other Nordic countries, Germany, U.S, Eastern Europe and other markets in which the Group operates are also important for the outcome, as well as the competitive situation. The rapid development within digital media results in major changes in the media sector. Development of these external factors constitute the most significant risks and uncertainties facing the Group.

The continuing Covid-19 pandemic spread during March and April, not only creating a medical crisis in many countries, but also considerably impacting the world economy as a whole, and in all countries where the Bonnier Group operates.

It is still too early to say how great an impact the pandemic will have on Bonnier and our subsidiaries, but the outcome in 2020 will be adversely affected by the restrictions imposed by the authorities and actions voluntarily taken by the population. The size of the impact will be determined not only by how long the restrictions last, but also by whether the economy in one or more of our markets goes into a downturn as an aftereffect of the temporary or prolonged halt caused by the pandemic.

The contraction in general economic activity will affect advertising revenue in all companies in the Group, and the event revenue generated mainly within Bonnier News and Bonnier Corporation will be affected by the various bans and recommendations introduced against large crowds. In books, the retail sector is the single most important channel in terms of turnover. It remains to be seen how much of the revenue lost from the stores that are closed and from lower visitor numbers in the stores that remain open will be compensated by a higher proportion of purchases moving online to e-retailers, such as Bonnier's Adlibris.

The Bonnier Group as a whole has a low level of indebtedness and has cash and cash equivalents available in the form of short-term investments. This, combined with the cutbacks implemented in several of the Group's companies, means that the liquidity risk for the Group as a whole is deemed to be low.

The long-term effects on the economy and companies may affect the assumptions made in connection with impairment checks of, for example, goodwill.

Financial instruments and risk management

Bonnier AB Group is exposed to different types of financial risks. Risk management is addressed centrally by AB Bonnier Finans and in accordance with the finance policy set by the board. The risks to which the Group is exposed are comprised of liquidity and refinancing risks, interest rate risks, currency risks, credit risks and counterparty risks. For a more detailed description of the risk levels and the manner in which compliance with these levels is ensured, see Note 4.

[1)] Including non-controlling interests.

Sustainability Report

The Sustainability Report includes the Parent Company, Bonnier AB, and subsidiaries specified in the Parent Company's Note 24 Group companies. To provide an overall picture of Bonnier's sustainability work, Bonnier Fastigheter is also included although it is not legally part of the Bonnier AB Group.

About Bonnier's sustainability work

Bonnier has a history going back more than 200 years as a family-owned media company. Long-termism is a core value and a starting point for how we conduct our operations. Part of this long-term approach is an aspiration to have a positive impact in the communities in which we operate. Through journalism, storytelling and knowledge, our aim is to make our communities more open, more interesting, more fun and better informed.

As a social actor and a business, Bonnier has a responsibility for the impact, negative and positive, we have on the outside world. The world faces significant challenges linked to health, equality, climate change, etc., in response to which the 17 Global Goals developed by the United Nations Development Program (UNDP) lay down the way forward for the three dimensions of sustainable development: economic, social and environmental.

Bonnier has identified the following five areas as particularly central to our work on sustainability and long-term benefit to society:

Freedom of Speach. Bonnier, as a media owner, is to be characterized by the journalistic independence of our media and publishers. Our aim is to be Sweden's standard bearer for wide-ranging freedom of expression and for free media. Our internal corporate cultures should also be characterized by freedom of speach and a high ceiling.

Governance. As a family-owned media company, we are concerned to ensure that our operations are conducted with a long-term approach, based on well-known ethical guidelines and effective warning systems to signal any breach of these guidelines.

Our employees. The ability to attract, develop and retain the right skills is a crucial success factor. Creating environments where people can develop and successfully manage the pressure of change affecting the media industry is a key challenge to our businesses.

Diversity. Our companies should offer fair employment conditions irrespective of gender and background, and our activities should contribute to an inclusive society in which more people can participate.

Environment and Effective Use of Resources. Global and local challenges related to environmental and climate impact are affecting all businesses. Although Bonnier's environmental impact varies greatly given its broadly spread portfolio of activities and the fact that it is concentrated above all in printing and distribution, we seek to reduce not only our direct impact but also, where relevant, in our value chain.

How we work – now and going forward

Historically, Bonnier has operated as a decentralized corporate group. Our work on sustainability issues has followed the general governance structure within Bonnier, where Group companies have a strong, independent mandate. To guide work at an overarching level, the Bonnier Group's Board of Directors establishes Group-wide frameworks and policies. In some cases, these are directly applicable, while in others work has to be adapted within the set framework to the company's conditions.

In September 2018, Bonnier announced a change in its governance model, As a result, the present business areas in Bonnier AB were transformed into independent companies. As of January 1, 2019, the companies are governed by the board of directors of the company concerned.

Freedom of Speach

Ambition and relevance
Our activities should serve to underpin freedom of speach and freedom of the press, and to promote a transparent, open and inclusive society in which social debate and culture are accessible to as many people as possible. Our ambition is to continue to be the Nordic company that, more than anything else, is associated with free journalism.

Bonnier's contribution to society in this area naturally lies at the heart of our operations; in the journalism, the storytelling and knowledge services that our companies develop.

A fundamental principle of Bonnier's media is journalistic independence. The most important guarantor of independent journalism in Bonnier's media is provided above all by a clear line from the owners, as well as a strong culture and tradition characterized by respect for editorial independence and for the unrestricted power of senior editors over publishing decisions and for the value of wide-ranging freedom of expression.

Risks and challenges
The crucial challenge in the work of producing quality journalism that contributes to an open and thoroughly transparent society is posed by market-related considerations. On the advertising side, competition comes mainly from the global technology platforms that worldwide are taking nearly all the growth in digital advertising, and on the consumer side from strong and cross-border competition for consumer time and willingness to pay.

How we work
In the area of freedom of speach, work is carried out at the editorial offices of the newspapers every day in the name of free speech. In the local newspaper group MittMedia, which was acquired by Bonnier News in February 2019, sustainability work started within the new ownership constellation in autumn 2019. As part of Bonnier News, the company's 28 local newspapers are covered by our overall sustainability strategy, and work has focused initially on creating an economically sustainable business. In turn, this aims to create long-term funding of high-quality local journalism and to contribute to democracy and freedom of speach in the localities in central Sweden where the newspapers are published.

<u>Advocacy for freedom of expression and for imprisoned journalists</u>
The leading journalists at Bonnier News are important voices in freedom of speach issues in the public debate and are working consistently to draw attention to breaches of freedom of speach and freedom of the press. This applies in particular to cases of Swedish citizens imprisoned for their assertion and exercise of freedom of speach. Against that background, Bonnier news journalists have been working tirelessly on the cases of:
-Dawit Isaak, Swedish-Eritrean journalist and co-founder of Eritrea's first independent newspaper Setit, who in 2001 was imprisoned by the Eritrean regime for alleged violations of national security.

- Gui Minhai, Swedish publisher of Chinese origin who in 2016 was kidnapped in Thailand and taken to a prison in China. His case took on renewed topicality in the winter of 2019/2020 as a result of Swedish media coverage of the Chinese state's actions in his case.

Governance
Ambition and relevance
Bonnier has a distinctly long-term perspective. As a family-owned company, we are concerned to ensure that our companies act in a long-term way, and not to risk damaging the Company's reputation through short-termism. This takes the form of Bonnier companies being required to maintain clear ethical guidelines that are well known to all employees, as well as effective channels for sending alarms and processes for correct handling in the event of the guidelines being breached.

Risks and challenges
A challenge for Bonnier as the owner of a decentralized group with local company managements operating under wide-ranging mandates is to strike the right balance between overarching principles and the local application of such principles.

Another area that received special attention during the year was IT security. This is a critical area at many Bonnier companies, partly from a general operational security and business perspective, but also in view of the industry-specific issue of maintaining source protection.

How we work
Every Bonnier company must comply with Bonnier's Code of Conduct, as well as a number of additional guideline policies in areas such as security and IT security, data protection, anti-corruption and whistleblowing. Policy documents are supplemented by instructions and manuals that provide guidance on implementation of the policy documents.

Within the framework of Bonnier's policy documents, the companies are as a general rule free to develop policy documents aligned with conditions of their specific business. This applies, for example, to Bonnier's Code of Conduct, where the codes of the individual companies must reflect the principles of Bonnier's Code, but at the same time adapt the language and emphasis to reflect the nature of their own business, and particularly relevant risk areas. Each company's board of directors is responsible for ensuring adequate processes and activities for compliance with Bonnier's policies and standards.

Compliance with these policy documents is followed up annually and reported to the Board of Directors of Bonnier Group.

Whistleblowing
Since late autumn 2017, Bonnier has operated a central whistleblowing system. Notifications are made via an external web-based service and received by the CEO of Bonnier Group AB and an external lawyer. It is possible to make anonymous notifications, and also for the person to have their complaint received and processed exclusively by a third-party lawyer, if the notifier so wishes.

Employees

Ambition and relevance
Bonnier's development as a business depends on being able to attract skilled employees, to offer stimulating tasks and to provide a good working environment where employees can grow and develop.

Risks and challenges
We operate in sectors with high pressure for change. Major change brings opportunities for development but also places great demands on employees at all levels within the Company, with the risk of psychosocial ill health, stress, etc. At Bonnier generally, there is a limited risk of occupational injuries. Within Bonnier, responsibility for a good, healthy and safe work environment is firmly embedded within each company.

How we work
Based on Bonnier's overall values, the work of recruitment, talent development and other employee issues is conducted at company level.

Highly developed cooperation takes place, above all, between the Group's Swedish businesses. Day-to-day work involves partly monitoring risk indicators and acting on them, and partly creating common support systems and processes for sharing knowledge.

In 2019, Bonnier had 8,335 employees (7,551), of whom 3,079 (3,316) worked outside Sweden. Most are employed at Bonnier News and Bonnier Books.

Employees in Sweden show an even gender distribution. Sick leave within Bonnier Sweden was less than three percent of total working hours in 2019, the same as in 2018.

Diversity

Ambition and relevance
Bonnier strives to offer employees good career and development opportunities, and an interesting and welcoming working environment. A central aspect of this work is to create fair career opportunities that exclude advantages or disadvantages based on irrelevant factors such as gender, ethnicity, age, sexual orientation or religion. Our activities are also to help towards an inclusive society in which more people can participate.

Risks and challenges
The risks that exist in this area to some extent relate to compliance with the law and regulations, but the principal risk lies in not best managing the potential of existing or prospective employees and, as a result, the Company's development being damaged. As a company, we cannot afford not to make the most of the potential of each individual employee.

How we work
At year-end 2019, the management teams of the Bonnier Group consisted of 43 percent (34) women and 57 percent (66) men.

Gender breakdown, percent

Percentage	Women	Men
Bonnier total	51%	49%
Management teams	43%	57%
Board of Directors Bonnier AB	33%	67%
Board of Directors Bonnier Group AB [1]	28%	72%

[1] Excluding employee representatives

Inclusive society: BonnierHoops arranged by Bonnierförlagen
In 2019, Bonnierförlagen arranged BonnierHoops for the fifth year in a row. BonnierHoops is a street basketball court and meeting place for reading, the written word, basketball and culture. BonnierHoops is open all summer and offers a safe place where children and young people can socialize, read, learn new things, meet role models and enjoy worthwhile activities. In 2019, the event kicked off at Biskopsgården, Gothenburg, having previously also taken place in Kista, Greater Stockholm and Malmö. Over the summer, the BonnierHoops event in Biskopsgården had about 7,000 participants who read hundreds of books in our reading zone. Fifteen young people obtained summer jobs and the local basketball club recruited new members. Another result of our activity was that the number of reported crimes in the area decreased by 46 percent!

In the 2015-2019 period, Bonnierförlagen held a total of 58 weeks of book/basketball events for about 60,000 young people. BonnierHoops has provided a safe place, with continuity and positive role models. We have contributed to greater cooperation in the areas where we have operated. For example, the church and mosque in Kista developed a unique collaboration both on and off the court. Police and firefighters have built invaluable relationships with young people of the areas. Crime fell by 27 percent and vandalism by 60 percent in the area around Kista's central square when BonnierHoops was there.

Environment and Effective Use of Resources

Ambition and relevance
Global and local challenges linked to environmental and climate affect all companies. All Bonnier's operations are to be characterized by rational and efficient use of both physical and financial resources as well as the time of employees, in addition to complying with relevant international and local environmental legislation and standards. Bonnier's direct environmental impact is limited and varies greatly, given the Company's broad business portfolio. Based on what is material in each business, we seek to reduce our direct impact and, where relevant, in our value chain.

Risks and challenges
Bonnier's risks to the environment are relatively limited. In the Group's printing works, some chemicals are used, but the industry has collaborated in reducing consumption and the business is not currently subject to mandatory environmental licensing.

In the Group's other activities, much of the potential environmental impact comes from office premises.

In 2020, an energy audit of the Albert Bonnier Group will be carried out according to the Act (2014:266) on Energy Audits in Large Enterprises.

How we work
In 2018, Bonnier produced an environmental policy with overarching principles for environmental responsibility. The policy also described the responsibility of each business area at the time to engage in adequate environmental activities. Responsible use of resources also includes responsible purchasing. To that end, Bonnier's Code of Conduct for Suppliers sets out expectations regarding resource efficiency, environmental responsibility and responsibility for employees. Since reorganization, the policy is no longer a Group-wide policy, but largely lives on at the independent subsidiaries.

<u>Major investments in climate monitoring and knowledge</u>
The Expressen, Dagens Nyheter, HD-Sydsvenskan and Dagens industri newspapers have allocated large resources to monitoring of the climate issue on all platforms. In spring 2019, Expressen established Sweden's first specialized climate editorial team of high-profile writers. In addition to its journalism, Dagens Nyheter invested in reader trips by rail in Europe, as well as in themed evening events and reader events on climate. Within the scope of its "Sustainable Business" vertical, Dagens industri became the first business journal in the world to include climate indices in its stock market listings, and expanded its focus on "impact investing" via new conference initiatives and collaborations. The HD-Sydsvenskan daily has intensified its work on diversity and gender equality along several lines, in parallel with its work in climate monitoring.

Green leases at Bonnier Fastigheter
There is considerable interest in sustainability issues in the real estate sector, an interest that is reflected not least in rising demand for green leases. A green lease is a lease that includes stipulations of the landlord's and the tenant's environmental ambitions. This can either be attached as a separate appendix or integrated into the lease. Agreed requirements may include, for example, use and logging of materials in a material database for renovations, use of green energy in the building, and on the premises, environmental certification of the property, eco-labeling of fixtures and fittings, availability of charging points in the building etc. Furthermore, the energy consumption of the landlord and the tenant is monitored annually. Some 65 percent of all office leases signed during the year were green leases. At year-end, a total of 41 percent of all leased office areas were under green leases.

Environmental certification
A long-term goal for Bonnier Fastigheter is to have all properties environmentally certified. Certifying a property is confirmation that the property is operated in a rational and efficient manner with the needs of the environment taken into account. To Bonnier Fastigheter, certification also provides a means of indicating ways in which environmental performance can be further enhanced and of making climate-smart investments, with the aid of external impartial expertise. Certifications are followed up annually and recertification takes place at three-year intervals.

At the beginning of the year, 50 percent of the portfolio's properties were environmentally certified. At year-end, 71 percent of the properties were environmentally certified. The majority of certified properties are certified under the UK's BREEAM In-Use system, an international, independent environmental assessment system that shows outcomes in the form of ratings for the building's environmental performance. The scale of ratings ranges from one star, representing acceptable performance, to six, representing outstanding performance. Certification includes indoor environment, energy consumption, water consumption, transport facilities, green space, waste management and prevention of pollution. Two of the properties attained the impressive second-highest rating level Excellent, namely Bonnierhuset on Torsgatan and Magasinet on Sveavägen.

Energy efficiency
During the year, Bonnier Fastigheter focused actively on reducing the energy load of the properties via monthly monitoring of their consumption of heating, cooling and electricity.The result was an overall decrease of just over 8 percent in the number of kWh consumed, compared to consumption in 2018. The greatest savings were made in the consumption of cooling, which decreased by just over 23 percent. Consumption of heating decreased by more than 7 percent and electricity by about 3 percent. Total savings were about 5,000 MWh, equivalent to the total annual consumption of about 200 normal-sized single-family homes.

Printing works in Bold Printing (part of Bonnier News)
The printing business in Bold Printing today consists of a printing house in Stockholm (Bold Printing Stockholm), two printing works in Malmö (Bold Printing Malmö) and a part-owned printing house in Borås (Borås Tidning Tryckeri).

All printers are certified according to ISO 14 001 (environmental management systems), and all also hold a Nordic Ecolabel license. Bonnier's printing works produce internal and external daily newspapers, free newspapers and a small volume of direct mail. Editions of a number of Bonnier's daily newspapers (DN, DI and Exp) are also produced at an externally contracted printing company, Daily Print in Umeå, under the same certification and environmental follow-up requirements as Bonnier's own printing business.

As in previous years, we are striving in the printing business to use production resources as efficiently as possible. Paper efficiency is a key metric that is followed up at each of the printing works, i.e., paper used/paper printed on, in relation to wastage, spillage, trimming and losses. The metric is in line with industry standards and is followed up every year with like-for-like production at competing printing houses in Sweden and Norway. It also requires basic life-cycle thinking among employees and management regarding materials such as newsprint, packaging and printing plate. Also included are capacity utilization of transport vehicles that collect waste each week. Bold Printing Malmö has succeeded in reducing the number of shipments by half over a five-year period, despite the fact that it currently conducts operations at two printing works instead of only one previously. Bold Printing Malmö has also found a system for cleaning/filtering water contaminated with detergents and now has permission to release the water directly into the drains. Previously, water had to be sent for destruction. This will further reduce the number of shipments in 2019.

Expected future developments
In our plan for up to 2020, we set out to develop Bonnier over a long-term perspective, with the ambition of building a Group that is strong and well-positioned for the future. Bonnier's companies are working to reshape their businesses to generate a higher proportion of new and sustainable revenues. Investments continue in technology and business development in our existing businesses, as well as in related areas where we see opportunities for growth. In the years ahead, growth in digital services is expected to increase and the Group's main revenue focus will be on higher user revenue.

The increase in resources from the sale of Bonnier Broadcasting has not only strengthened our financial position, but also created scope for future investments in growth, both in and outside existing operations. The adjustment of organizational structure (see page 3, "Significant events during the financial year") will not affect the strategic direction of operations.

The Parent Company
The Parent Company mainly contains Group-wide functions. Net turnover amounted to SEK 25 (35) million, of which invoicing to other companies in the Group amounted to SEK 23 (33) million. Results before appropriations amounted to SEK -8,798 (-1,070) million.

In 2019, the ownership structure at Bonnier AB was adjusted to enable the Group's business areas to develop into independent companies. As a result, some aspects of the Group-wide functions were phased out. In connection with the change in ownership control and the divestment of Bonnier Broadcasting, the capital structure of the companies was reviewed, which has led to adjustments to the book value of Bonnier Media Holding AB.

Proposed appropriation of profits
The Parent Company
The following earnings are at the disposal of the Annual General Meeting:

(SEK)	
Retained earnings	17,394,350,999
Profit/loss for the year	-8,363,787,248
	9,030,564,751

The Board of Directors propose the following appropriation of the funds:

To be carried forward	9,030,564,751
	9,030,564,751

For additional information regarding the financial position and performance of the Parent Company and the Group, see the following financial reports. All amounts are expressed in SEK millions unless stated otherwise.

Consolidated Income Statements

SEK million

	Note	2019	2018
Net sales	5	20,227	18,307
Other operating revenues		179	143
Total revenues		**20,406**	**18,450**
Raw materials and consumables		-2,012	-1,903
Goods for resale		-5,585	-4,780
Personnel costs	6, 7	-6,504	-5,537
Other external costs	7, 8, 9	-5,225	-6,009
Depreciation, amortization and impairment losses	8, 14, 15	-1,064	-599
Profit or loss from participations in associated companies and joint ventures	10	-18	26
Other operating expenses		10	-59
EBITA		**9**	**-410**
Items related to acquisitions, divestments and close-downs together with amortization/impairment losses of group excess values	11	-92	-1,030
		-92	-1,030
Operating profit/loss		**-83**	**-1,439**
Interest income		13	13
Interest expenses		-195	-185
Other financial income and expenses		238	20
Net financial income/expenses from participations in associated companies and joint ventures	10	-105	-5
Net financial income/expenses	8, 12	**-49**	**-158**
Profit/loss before tax		**-132**	**-1,597**
Tax	13	-193	-501
Result from discontinued operations	16	3,138	1,226
Profit/loss for the year		**2,813**	**-872**
Profit/loss for the year attributable to:			
-Shareholders of the Parent Company		2,789	-875
-Non-controlling interests		24	3

Consolidated Statements of Comprehensive Income

SEK million

	2019	2018
Profit/loss for the year	**2,813**	**-872**
Other comprehensive income		
Items which are not reclassified to profit or loss		
Revaluation of defined benefit pension plans	-305	-216
Items which may subsequently be reclassified to profit or loss		
Translation differences	-709	-111
Cash flow hedges	52	33
Translation differences attributable to participations in associated companies and joint ventures	0	0
Other comprehensive income for the year, net after tax	**-963**	**-294**
Other comprehensive income for the year, net after tax, continuing operations	-634	-368
Other comprehensive income for the year, net after tax, discontinued operations	-329	75
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**1,850**	**-1,166**
Total comprehensive income attributable to:		
-Shareholders of the Parent Company	1,825	-1,170
-Non-controlling interests	25	4

Consolidated Statements of Financial Position

SEK million

	Note	Dec. 31, 2019	Dec. 31, 2018
ASSETS			
Non-current assets			
Intangible assets	14		
Goodwill		2,576	6,847
Film and program rights		379	2,715
Other intangible assets		772	1,282
		3,728	10,844
Property, plant and equipment	15		
Buildings and land		115	101
Plants and machinery		58	7
Equipment, tools, fixtures and fittings		181	219
Construction in progress and advances		1	13
		356	339
Right-of-use asset	8	2,091	-
Financial assets			
Non-interest-bearing			
Participations in associated companies and joint ventures	17	377	490
Other long-term investments	18	591	592
		969	1,082
Interest-bearing			
Derivatives	19	1	-
Long-term receivables	20	132	79
		133	79
Deferred tax assets	13	1,113	1,159
Total non-current assets		**12,306**	**13,504**
Current assets			
Non-interest-bearing			
Inventories	21	1,369	1,770
Account receivables	22	2,236	2,632
Other short-term receivables	23	399	353
Prepaid expenses and accrued income	24	1,088	1,117
		5,091	5,871
Interest-bearing			
Derivatives	19	17	43
Other short-term receivables	23	991	301
Prepaid expenses and accrued income		3	19
Cash and cash equivalents	24	4,517	286
		5,528	650
Total current assets		**6,702**	**6,521**
TOTAL ASSETS		**19,007**	**20,025**

Consolidated Statements of Financial Position

SEK million

	Note	Dec. 31, 2019	Dec. 31, 2018
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Parent Company			
Share capital	25	300	300
Other contributed capital		1,232	1,232
Reserves	25	-773	-113
Retained earnings including profit/loss for the year		4,567	2,130
Total equity attributable to shareholders of the Parent Company		**5,326**	**3,549**
Non-controlling interests	25	180	101
Total equity		**5,507**	**3,650**
Non-current liabilities			
Interest-bearing			
Liabilities to credit institutions	26	8	1,863
Provisions for pensions	27	1,995	2,365
Provisions	28	44	42
Lease liabilities	8	1,653	-
Other non-current liabilities	29	201	123
		3,901	4,393
Non-interest-bearing			
Deferred tax liabilities	13	208	260
Provisions	28	65	59
Derivatives	19	0	65
		273	384
Total non-current liabilities		**4,174**	**4,777**
Current liabilities			
Interest-bearing			
Liabilities to credit institutions	26	563	2,308
Derivatives	19	4	7
Provisions	28	108	193
Other current liabilities	30	1,477	1,549
Lease liabilities	8	383	-
Accrued expenses and deferred income	31	0	22
		2,536	4,079
Non-interest-bearing			
Account payables		1,528	2,247
Subscription liabilities and other advances from customers	32	1,141	978
Current tax liabilities		55	74
Provisions	28	39	103
Other current liabilities	30	887	705
Accrued expenses and deferred income	31, 32	3,141	3,413
		6,790	7,519
Total current liabilities		**9,326**	**11,598**
TOTAL EQUITY AND LIABILITIES		**19,007**	**20,025**

For information concerning the Group's pledged assets and contingent liabilities, see Note 33.

Consolidated Statements of Changes in Equity

SEK million

	Share capital	Other contributed capital	Reserves	Retained earnings including profit/loss for the year	**Total equity attributable to share-holders of the Parent Company**	Non-control-ling interests	**Total Equity**
Opening balance, Jan. 1, 2018	**300**	**232**	**-34**	**3,270**	**3,767**	**134**	**3,901**
Comprehensive income							
Profit/loss for the year				-875	**-875**	3	**-872**
Other comprehensive income							
Cash flow hedges			44		**44**	-	**44**
Translation differences			-112		**-112**	1	**-111**
Revaluation of defined benefit pension plans				-251	**-251**	-	**-251**
Other comprehensive income attributable to participations in associated companies and joint ventures			0	-	**0**	-	**0**
Tax on items in other comprehensive income			-10	35	**24**	-	**24**
Total Other comprehensive income, after tax			-79	-216	**-295**	1	**-294**
Total comprehensive income			**-79**	**-1,091**	**-1,170**	**4**	**-1,166**
Transactions with shareholders							
Dividends to non-controlling interests						-43	**-43**
Change in conjunction with acquisitions and divestments of non-controlling interests				-16	**-16**	5	**-11**
Change in value of options attributable to acquisitions of non-controlling interests				6	**6**	-	**6**
Shareholders' contributions		1,000		-	**1,000**	-	**1,000**
Group contributions				-50	**-50**		**-50**
Tax on group contributions				11	**11**		**11**
Total transactions with shareholders		**1,000**		**-48**	**952**	**-37**	**914**
Closing balance, Dec. 31, 2018	**300**	**1,232**	**-113**	**2,130**	**3,549**	**101**	**3,650**

Opening balance, Jan. 1, 2019	**300**	**1,232**	**-113**	**2,130**	**3,549**	**101**	**3,650**
Comprehensive income							
Profit/loss for the year				2,789	**2,789**	24	**2,813**
Other comprehensive income							
Cash flow hedges			64		**64**		**64**
Translation differences			-711		**-711**	2	**-709**
Revaluation of defined benefit pension plans				-388	**-388**		**-388**
Other comprehensive income attributable to participations in associated companies and joint ventures			0	0	**0**		**0**
Tax on items in other comprehensive income			-13	83	**70**		**70**
Total Other comprehensive income, after tax			-659	-305	**-964**	2	**-963**
Total comprehensive income			**-659**	**2,484**	**1,825**	**25**	**1,850**
Transactions with shareholders							
Dividends to non-controlling interests						-40	**-40**
Change in conjunction with acquisitions and divestments of non-controlling interests				-7	**-7**	34	**27**
Change in value of options attributable to acquisitions of non-controlling interests				-2	**-2**	-	**-2**
Shareholders' contributions				-	**0**	60	**60**
Group contributions				-48	**-48**		**-48**
Tax on group contributions				10	**10**		**10**
Total transactions with shareholders				**-47**	**-47**	**54**	**7**
Closing balance, Dec. 31, 2019	**300**	**1,232**	**-773**	**4,567**	**5,326**	**180**	**5,507**

Consolidated Statements of Cash Flow

SEK million

	Note	2019	2018
Operating activities			
Profit/loss before tax		-132	-1,597
Adjustments for items in cash flow	34	155	1,279
Paid income tax		-163	-138
Cash flow from operating activities before change in working capital		**-139**	**-456**
Change in inventories		456	-61
Change in account receivables		-145	214
Change in other short-term receivables		-1,127	-141
Change in account payables		43	132
Change in subscription debt and advances from customers		-46	-24
Change in other current liabilities		1,026	-145
Change in working capital		**207**	**-25**
Cash flow from operating activities		**67**	**-481**
Investing activities			
Acquisition of shares in subsidiaries, net debt effect	16	-482	-30
Reversal of net debt items in the acquisition of shares in subsidiaries that are not cash or cash equivalents		283	-246
Investments in other financial assets		-189	-141
Acquisition of property, plant and equipment		-105	-128
Acquisition of intangible assets		-445	-591
Lending to Group companies		-185	-
Divestments of shares in subsidiaries, net debt effect		10,062	265
Reversal of net debt items on divestments of shares in subsidiaries and other financial assets that are not cash or cash equivalents		-436	1
Divestments of other financial assets		136	136
Divestments of property, plant and equipment		20	2
Divestments of intangible assets		64	0
Cash flow from investing activities		**8,772**	**-732**
Financing activities			
Divestments to non-controlling interests, net debt effect		2	-
Repayments/lending of interest-bearing receivables		-206	7
Change in current financing		-55	-1,379
Borrowings		15	2,381
Amortization of debt		-4,365	-1,771
Amortization of lease liabilities		-676	0
Group contributions		-104	-13
Shareholders’ contribution received		0	1,000
Dividends to owners of the Parent Company		0	0
Dividends to non-controlling interests		-37	-43
Cash flow from financing activities		**-5,426**	**183**
Cash flow for the year from continuing operations		**3,363**	**-1,030**
Cash flow from discontinued operations			
-from operating activities		5,001	4,823
-from investing activities		-4,086	-3,981
-from financing activities		0	0
Sum of cash flow from discontinued operations		**915**	**843**
Cash and cash equivalents at the beginning of the year		286	472
Translation differences in cash and cash equivalents		-46	2
Cash and cash equivalents at the end of the year		**4,517**	**286**

Notes to the Consolidated Financial Statements

NOTE 1 **General Information**

Bonnier AB ("Bonnier"), Corporate Registration No. 556508-3663, is a limited liability company incorporated in Sweden with its registered office in Stockholm. The address of the headquarters is Torsgatan 21, 113 21 Stockholm. The mailing address to Bonnier AB is SE-113 90 Stockholm. The internet address is www.bonnier.se.

Bonnier AB is a wholly owned subsidiary of Bonnier Group AB, Corporate Registration No. 556576-7463, a subsidiary of Albert Bonnier AB, which is owned by more than 90 members of the Bonnier family.

The parent company for the largest and smallest group in which Bonnier AB is a subsidiary and for which consolidated accounts are prepared is Albert Bonnier AB, Corporate Registration No. 556520-0341.

NOTE 2 **Significant accounting policies**

The consolidated financial statements for Bonnier AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as approved by the EU and the interpretations of the IFRS Interpretations Committee (IFRIC).

In addition, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 "Supplementary rules for group accounting."

The financial statements are presented in millions of Swedish krona (SEK). Rounding may apply in tables and calculations, which means that the stipulated total amounts are not always an exact total of the rounded amounts. Items in the consolidated financial statements have been prepared on a cost basis, except for certain financial instruments which are stated at fair value. The significant accounting principles applied in the preparation of these consolidated financial statements are described below.

Amended standards effective as of January 1, 2019
The Group has applied IFRS 16 Leases as of January 1, 2019.

IFRS 16 Leases: To the Group as lessee, the effect of the new standard for the recognition of leases means that all leases, with the exception of low-value leases and short-term leases, are recognized as assets and liabilities in the statement of financial position.

The income statement is affected to the extent that the costs of leasing consist of amortization of the right-of-use asset, which is included in EBITA, and interest expenses, which are included in net financial items, for the lease liability. For every individual lease, this accounting regime means a front-loaded charge on income. Under IAS 17, lease payments for operating leases were recognized as "Other external costs," included in EBITA, on a straight-line basis over the lease period. The Group has applied the simplified transition procedure and has not restated comparative information for 2018 or earlier. The right of use was recognized in the same amount as the lease liability as of January 1, 2019, adjusted for prepaid and accrued leasing costs. The Group also applies the transitional rule regarding the definition of leases, which means that contracts signed before January 1, 2019 will be identified as leases in accordance with the rules of IAS 17 and IFRIC 4. See Note 8 for impact on the Consolidated Statement of Financial Position as of January 1, 2019.

Implementation of IFRS 16 resulted in an improved operating profit, while interest expense increased. This arises from the change in accounting method for operating leases under IAS 17.

Cash flow from operating activities has increased and cash flow from financing activities has decreased, since amortization of the lease liability will be recognized in financing activities.

New and amended standards and interpretations that have not yet entered into force and that have not been adopted early by the Group
New and amended IFRS and interpretations that have not yet entered into force are not expected to have a material impact on the Group's financial statements.

Consolidated Financial Statement
The consolidated financial statements cover the Parent Company Bonnier AB and all companies over which the Parent Company has control (subsidiaries). Control is achieved when the Group is exposed to, or has rights to, variable returns from its involvement with another company and has the ability to affect the returns through its power over that company.

Subsidiaries are consolidated from the acquisition date until the date when control ceases.

Profit or loss and each component of other comprehensive income are attributable to shareholders in the Parent Company and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries in order to bring their accounting principles in line with the Group's accounting principles. All intra-group transactions, balances and unrealized gains and losses attributable to intra-group transactions have been eliminated in full on consolidation.

Transactions with holdings with non-controlling interests
Changes in the Parent Company's participations in subsidiaries that do not result in a loss of control are accounted for as equity transactions, i.e., as transactions with the Group's owners. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity and allocated to shareholders of the Parent Company.

When the Parent Company loses control of a subsidiary, the gain or loss on the sale is calculated as the difference between:

i) the aggregate of the fair value of the consideration received and the fair value of any retained participation, and

ii) the previous carrying amount of the subsidiary's assets (including goodwill), liabilities and any non-controlling interests.

The fair value of any investment retained in the former subsidiary on the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 "Financial Instruments: Recognition and Measurement" or, when applicable, as the cost on initial recognition of an investment in an associated or a jointly controlled entity.

Business combinations
Business combinations are accounted for using the acquisition method.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred by the former owners of the acquiree and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are recognized in the income statement as incurred.

The consideration transferred by the Group in a business combination also includes the fair value of any assets and liabilities resulting from a contingent consideration arrangement. Changes in the fair value of contingent consideration qualifies as measurement period adjustments, with corresponding adjustment against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed at the acquisition date. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. In other cases, subsequent changes in the fair value of the contingent consideration are recognized in profit for the year.

On the acquisition date, the identifiable assets acquired and the liabilities assumed, as well as any contingent assets, are recognized at their fair value.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests,

NOTE 2 **cont.**

and the acquisition-date fair value of any previously held equity interests in the acquiree over the identifiable net assets acquired. If, after reassessment, this difference is negative, it is recognized directly in the income statement as a bargain purchase gain.

For each business combination, any non-controlling interest in the acquiree is measured either at fair value or at the non-controlling interests' proportional share of the recognized amounts of the acquiree's identifiable net assets.

When a business combination is achieved in stages, previously held equity interest in the acquiree is remeasured to its acquisition-date fair value (i.e., when control is achieved) and the resulting gain or loss, if any, is recognized in the income statement. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are classified to the income statement where such treatment would be appropriate if that interest were disposed of.

Goodwill

Goodwill is carried at cost as established at the date of acquisition of the company less any impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units that is expected to benefit from the acquisitions' goodwill. These units are the Group's business areas.

Goodwill is tested for impairment annually or more often if there is an indication. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then the carrying amount of goodwill attributable to other assets in a unit is reduced. A recognized impairment loss for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the capital gain or loss.

Participations in associated companies and joint ventures

An associated company is a company over which the Group has a significant influence, generally accompanying a shareholding, directly or indirectly, of between 20-50% of the voting rights.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control exists when two or more parties contractually agree to exercise joint control over an arrangement.

Associated companies and joint ventures are accounted for in accordance with the equity method. Under the equity method, the initial recognized cost is adjusted to recognize changes in the Group's share of the associated company's or joint venture's net assets, as well as consolidated goodwill and any other remaining consolidated surplus and deficit values. When the Group's share of losses in an associated company or a joint venture equals or exceeds its interest in the associated company or joint venture, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associated company or joint venture. On acquisition of the investment in an associated company or joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included in the carrying amount of the investment. When necessary, the carrying amount of the investment (including goodwill) is tested for impairment.

When a group company transacts with an associated company or a joint venture of the Group, unrealized gains or losses corresponding to the Group's investments in the associated company or joint venture are eliminated. Dividends received from associated companies or joint ventures reduce the carrying amount of the investment.

Revenue recognition

The Group recognizes revenue when it transfers control over a product or service to a customer. Revenue is measured based on the consideration specified in the contract with the customer to which the Group expects to be entitled, and excludes amounts collected on behalf of third parties, e.g., value added tax.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

For the policies for revenue recognition for the Group's main types of products and services, see below.

Advertising

The performance obligation for advertising is satisfied when the advertisement is actually shown, published or displayed and the revenue is recognized at that time. A receivable is recognized when the advertisement is actually shown, published or displayed as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The revenue is reduced for volume rebates; see heading "Volume rebates." The payment is generally due within 14-30 days.

For some sales of advertising the Group involves a third party as seller of the advertisement; for policies, see heading "Agent versus principal."

Subscription

The performance obligation is satisfied when the newspaper or magazine is delivered to the customer and revenue is recognized upon delivery. For digital subscriptions the revenue is recognized when the newspaper or magazine is published on the web or when the content is available for the user. The payment for subscription is in advance, 1-12 months, or on ongoing basis. A subscription liability is recognized until the newspaper or magazine is delivered to the customer.

Goods (chiefly books, magazines and newspaper - newsstands)

The performance obligation is satisfied upon delivery of the goods and the revenue is recognized at that time. The payment is generally due within 30 to 90 days from delivery. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional, because only the passage of time is required before the payment is due. Some contracts provide customers with a right of return and volume rebates, which give rise to variable consideration; for description, see heading "Rights of return" and "Volume rebates."

For newsstand sales of magazines and newspapers the Group involve a third party as seller of the magazines and newspapers. The Group pays commissions to the third party which are recognized as cost, while the Group assesses that the Group acts as principal while it controls the goods before transferring them to the customer and records the revenue on a gross basis.

Digital distribution

The performance obligation is satisfied over time and the revenue is recognized at the same time as the customer uses the services, because the customer simultaneously receives and consumes the benefits provided by the Group. In general the payment is due 30 days after the performance is satisfied.

For distribution of TV the revenue is recognized on net basis; see heading "Agent versus principal."

Film

Revenue for film includes distribution and production of films. The performance obligation for distribution is when the rights to the film are transmitted to the customer. The revenue is royalty sales-based for the theatrical and home entertainment windows, but for

NOTE 2 **cont.**

the other windows (TV/SVOD/EXPORT) the revenues are license-based. The revenue is recognized when the sale occurs respectively when the film is delivered.

The performance obligation for production of film is satisfied over time because the Group does not create an asset with alternative use and has an enforceable right to payment for the performance completed to date. The output method is used for measuring the progress toward complete satisfaction of the performance obligation, i.e., the revenue is based on the value to the customer relative to the remainder of the goods promised in the contract. The Group considers that this output method is an appropriate measure of the progress toward complete satisfaction of the performance obligations.

Payment is made at set times during the production period, such as signing of agreement, first day of principal photography, last day of shooting and premiere.

Any amount previously recognized as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

Variable consideration
For contracts that include a variable consideration, for example discounts, the Group estimates the amount of consideration to which it will be entitled.

Information about the consideration allocated to performance obligations that are unsatisfied is not disclosed due to the fact that the majority of the contracts have a duration of one year or less.

Rights of return
Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned based on historical returns because this method best predicts the amount of variable consideration to which the Group will be entitled. For goods that are expected to be returned, instead of revenue the accounts receivables are reduced; for further information see Note 22 “Accounts receivable and accrued income.”

Volume rebates
The Group provides volume rebates once the quantity of products purchased during the period exceeds a threshold specified in the contract. Volume rebates are typically offered to all high-volume customers and reflect the stand-alone selling price. The volume rebates are recognized as reduced revenue when the customer reaches the certain volume and are offset against amounts payable by the customer.

Royalties
For license of book rights and distribution of film the Group receives royalties which are sales-based. The revenue is recognized when the sales occur; see also heading “Film.” In general, the Group receives a fixed amount for license of book rights that is not contingent on future sales and is not subject to clawback. The fixed payment is recognized as revenue when the license is granted.

Financing components
For certain goods and services, the Group receives short-term advances (one year or less between the transfer of goods and services and the received payment). The Group uses the practical expedient, so it does not adjust any of the transaction prices for the time value of money.

Agent versus principal
For revenue related to advertising, sales of newspapers and magazines and distribution of TV there are other parties involved in providing the goods and services.

The Group is assessed to be principal for sales of advertising, while the Group controls the promised service before transferring that service to the customer and therefore records revenue on a gross basis, except for sales of advertising to media agencies which are recognized based on the invoiced amount.

For newsstand sales the Group involves a third party in providing the newspapers or magazines. The Group is assessed to be principal, while revenue is recognized as gross and the commission to the third party is recognized as cost. The assessment is based on the fact that the Group has the risk in that the newspapers or magazines may not be sold and has the right to establish the price.

The Group is acting as a principal for the distribution of film while the Group controls the film before distribution to the customer and therefore records royalty on a gross basis.

Revenue from distribution of TV is recognized on the invoiced amount from the operator.

The Group recognizes royalties for sale of rights of books on a gross basis, i.e., the royalties which are paid to authors are recognized as costs and received royalties are recognized as revenue. The assessment is based on the fact that the Group has the right to decide the price and the risk that the rights might not be sold.

Receivables
Receivables represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Receivables consists of Accounts receivables and Accrued income.

Contract liability
If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized. Contract liabilities are recognized for prepaid subscription, other advances from customers and deferred income.

Leases
A finance lease is a contract under which the economic risks and benefits associated with the ownership of an object are transferred from the lessor to the lessee. Other leases are classified as operating leases.

The Group leases various office, warehouse and retail premises, as well as machinery and vehicles. Leases are normally written for fixed periods between 6 months and 8 years, but there may be options for extension, as described below.

Contracts can contain both lease and non-lease components. The Group allocates the remuneration in the contract to lease and non-lease components based on their relative stand-alone prices. However, for lease payments for properties in which the Group is a tenant, the Group has chosen not to separate lease and non-lease components and instead recognizes them as a single lease component.

Conditions are negotiated separately for each lease and contain a wide range of different contractual terms. The leases do not contain any specific conditions or restrictions, except that the lessor retains the rights to pledged leased assets and in some cases a commitment for the Group to restore leased premises to their original state in the event of a future relocation.

Leased property, plant and equipment were classified as either finance or operating leases until the end of the financial year 2018. As of January 1, 2019, the leases are recognized as rights-of-use with a corresponding liability, on the date on which the leased asset is available for use by the Group.

Assets and liabilities arising from leases are initially recognized at present value. Lease liabilities include the present value of the following lease payments:

- fixed payments (including payments that are in all essential

NOTE 2 **cont.**

respects fixed), less any benefits associated with the signing of the lease that are to be received, variable lease payments relating to an index or price, initially measured on the basis of the index or price at the start date

• amounts expected to be paid by the lessee under residual value guarantees

• the exercise price of any option to buy if the Group is reasonably confident of exercising any such option

• penalties payable in the event of termination of the lease, if the lease term reflects the possibility that the Group will make use of an opportunity to terminate the lease.

Lease payments that will be made for options to extend that are reasonably certain to be exercised are also included in the measurement of the liability.

Lease payments are discounted using the interest rate implicit in the lease. If this interest rate cannot be easily determined, as is normally the case for the Group's leases, the marginal borrowing rate of the lessee shall be used, which is the interest rate that the individual lessee would have to pay to borrow the necessary funds to purchase an asset of a similar value to the right of use in a similar economic environment with similar conditions and collateral.

The Group determines the marginal borrowing rate on the basis of the interest rate on the external loans held by the Group at the start of the year, with some variability depending on the location of the market in which the subsidiary leases the asset.

The Group is exposed to any future increases in variable lease payments based on an index or interest rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or interest rate take effect, the lease liability is remeasured and adjusted in relation to the right of use.

Lease payments are apportioned between the reduction of the outstanding liability and the interest charge. The interest charge is recognized in the income statement over the lease term such as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

The assets with right of use are measured at cost and include the following:

• the amount at which the lease liability was originally measured

• lease payments paid on or before the start date, after deduction of any benefits received in connection with signing of the lease

• initial direct expenditure

• expenditure for restoring the asset to the condition stated in the terms and conditions of the lease.

Rights of use are usually amortized on a straight-line basis over the useful life or lease term, whichever is the shorter. If the Group is reasonably certain to exercise a purchase option, the right of use is amortized over the useful life of the underlying asset. Although the Group remeasures buildings and land recognized as property, plant and equipment, it has chosen not to do so for the Group's rights of use.

Payments for short-term leases on equipment and vehicles and all low-value leases are expensed on a straight-line basis in the income statement. Short-term leases are those with a term of 12 months or less. Low-value leases include those on IT equipment and minor items of office furniture.

Variable lease payments

Some leases for rent of buildings include turnover-based rentals in stores. Variable payments are used for various reasons, such as to minimize fixed expenses for newly established stores. Turnover-based rents are recognized in the income statement in the period in which the condition triggering the fee arises.

Options to extend and terminate leases

Options to extend and terminate leases are included in a number of the Group's leases on buildings and equipment. The terms and conditions are used to maximize flexibility in the management of the assets used in the Group's businesses. The majority of the options that provide for the possibility to extend and terminate leases can only be exercised by the Group and not by the lessors.

Foreign currencies

Transactions in foreign currencies are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at that date when the fair value was determined. Non-monetary items measured in terms of historical cost in a foreign currency are not translated.

Currency futures that are used for hedging and meet the requirements for hedge accounting are recognized at fair value in the statement of financial position. The changes in fair value are recognized in other comprehensive income and are accumulated in the hedging reserve. When the hedged item is recognized in profit or loss, the accumulated fair value changes in the hedging reserve are reclassified to profit or loss through other comprehensive income.

For the purpose of presenting the consolidated financial statement, the assets and liabilities of the Group's foreign subsidiaries are translated into Swedish krona using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rate for the period, unless the exchange rate has fluctuated significantly during that period, in which case the exchange rate at the date of transaction is used. Exchange differences arising are recognized in other comprehensive income and accumulated in the translation reserve. On disposal of a foreign subsidiary, such translation differences are recognized in the income statement as a part of the capital gain or loss.

Goodwill and fair value adjustments to identify assets acquired and liabilities assumed through acquisition of a foreign entity are treated as though these were assets and liabilities held by this entity and translated at the rate of exchange prevailing at the end of each reporting period.

Employee benefits

Employee benefits including salaries, bonuses, holiday pay, paid sick leave, etc., and pensions are recognized as the related service is rendered. Pensions are classified as defined contribution or defined benefit pension plans.

The defined contribution plan

For defined contribution pension plans, the Company pays fixed contributions into a separate, independent legal entity and the Group has no legal or constructive obligations to pay further contributions. Payments are recognized as an expense when employees have rendered service entitling them to the contributions, and this usually corresponds to when the contributions are due.

Defined benefit retirement benefit plan

For defined benefit pension plans, the cost of providing benefits is determined using actuarial calculations in accordance with the Projected Unit Credit Method. Remeasurement, including actuarial gains and losses, effects of changes to the asset ceiling and the return on plan assets (excluding the interest, which is recognized in the income statement), are reflected in other comprehensive income in the period in which they occur.

Remeasurement recognized in other comprehensive income is reflected directly in retained earnings and profit brought forward and will not be reclassified to the income statement. Past service cost is recognized in the income statement in the period of plan

NOTE 2 **cont.**

amendment. Net interest is calculated by applying the discount rate at the beginning of the period on the net defined liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service costs as well as gains and losses on curtailments and/or settlements)
- Net interest expense or income
- Remeasurement

The first two categories are presented as personnel cost (current service cost) and as net financial income (net interest expense) in the income statement. Gains and losses referring to curtailments and settlements are accounted for as past service costs. Remeasurements are recognized in other comprehensive income.

The defined benefit pension obligation recognized in the statement of financial position represent the actual surplus or deficit in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Tax
The tax expense comprises current and deferred tax.

Current tax
Current tax is based on taxable profit for the period. Taxable profit differs from "profit before tax" as reported in the income statements because of items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible.
The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Intangible assets
Separately acquired intangible assets
Intangible assets with finite useful lives that have been acquired separately are carried at cost less accumulated amortization and any impairment losses. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Film and program rights are usually accounted for as intangible assets when the program is available for viewing. The useful life for these rights is based on the license period or views and the useful life for these rights is based on license period or views, and normally amounts to no more than three years, but in certain cases to no more than five years.

Intangible assets acquired through business combinations
Intangible assets acquired in a business combination are identified and recognized separately from goodwill when they meet the definition of an intangible asset and when their fair value can be reliably measured. The cost of such intangible assets comprises their fair value at the acquisition date. Intangible assets with definite useful lives are amortized over the estimated useful life, usually a period of 2-10 years. Identified intangible assets with indefinite useful lives such as, trademarks and distribution rights are not amortized, but are tested for impairment annually or more frequently when there is an indication that the asset may be impaired. Subsequent to initial recognition, intangible assets acquired in a business combination are carried at cost less accumulated amortization and any accumulated impairment losses, on the same basis as separately acquired intangible assets.

Property, plant and equipment
Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives are as follows:

Buildings and land improvements	20-100 years
Plants and machinery	3-20 years
Equipment, tools, fixtures and fittings	2-20 years

Impairment of property, plant and equipment and intangible assets other than goodwill
At the end of each reporting period, the Group reviews the carrying amount of its property, plant and equipment and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount for an individual asset, the Group estimates the recoverable amount for the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of the fair value less cost of disposal and the value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is determined to be an amount below the carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized in the income statements.

If an impairment loss subsequently reverses, the carrying amount of the asset (or the cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the income statement.

Financial instruments
Recognition and derecognition
Accounts receivables are initially recognized in the statement of financial position when they are originated. All other financial assets and financial liabilities are initially recognized in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument. A financial asset or a part of a financial asset is derecognized when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. A financial liability or a part of a financial liability is derecognized when the obligations have been discharged or canceled or when they expire.

NOTE 2 **cont.**

Measurement
Financial assets and financial liabilities that are not subsequently measured at fair value through the income statement are initially carried at fair value with additions and deductions for transaction costs. Accounts receivables are initially measured at the transaction price. Financial assets and financial liabilities that are subsequently measured at fair value through the income statement are initially carried at fair value.

Equity instruments
Investments in equity instruments are recognized at fair value to the income statement, "Other financial income and expenses."

Accounts receivables
Accounts receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Accounts receivables are initially measured at the transaction price and subsequently at amortized cost.

Liabilities to credit institutions and other borrowings
Interest-bearing bank loans, credit lines and other liabilities are measured at amortized cost in accordance with the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings.

Policy applicable before January 1,2018
Financial instruments are subsequently carried at amortized cost or fair value, depending on the instrument's initial categorization in accordance with IAS 39.

Impairment
Policy applicable before January 1, 2018
Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated cash flows have been affected. Objective evidence of impairment could include a significant financial difficulty of the counterparty or default in payment of outstanding amounts due.

Policy applicable from January 1, 2018
Accounts receivables
The Group uses the historical observed default rates to calculate expected credit losses for trade receivables. The historical observed default rates are adjusted with current conditions and forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Derivative instruments and hedge accounting
The Group enters into derivative transactions to manage foreign exchange risk and interest risks. When possible, the Group applies hedge accounting. Derivatives are initially measured at fair value. Changes in the fair value of derivatives are recognized in either the net financial income/expenses or the operating profit, depending on the instrument's purpose.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in income statement.

Policy applicable before January 1, 2018
For hedged forecast transactions related to film and program rights, the accumulated amount in the hedging reserve is reclassified to income statement in the same period in which the assets are amortized.

Policy applicable from January 1, 2018
When the hedged forecast transaction subsequently results in the recognition of a nonfinancial item such as film and program rights, the amount accumulated in the hedging reserve and the cost of hedging reserve are included directly in the initial cost of the film and program rights when it is recognized. For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve are reclassified to income statement in the same period or periods during which the hedged expected future cash flows affect income statement.

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in income statement on the date on which the Group's right to receive payment is established. The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

Inventories
Inventories are stated at the lower of cost and net realizable value. The cost is determined using the first-in, first-out method (FIFO). The cost of finished goods and work in progress consists of the purchase price, direct salary expenses, other direct manufacturing expenses and indirect expenses attributable to the item (based on normal manufacturing capacity). An item's purchase price also includes transport expenses and other expenses attributable to moving the item to its current location and bringing the item to its current condition.

Net realizable value represents the estimated selling price less estimated cost of completion and cost necessary to make the sale.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the payments expected to be required to settle the obligation, its carrying amount is the present value of these payments.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Group contribution
Group contribution received or paid to the parent company is recognized directly in equity with related tax effect.

Key definitions
A description of the Group's definitions of key ratios may be found on page 55.

NOTE 3 Key sources of uncertainty in estimations

Below are the key assumptions concerning future development, as well as other important sources of uncertainty in the estimations at the balance sheet date which imply a significant risk of major adjustments in the carrying amount of assets and liabilities during the upcoming financial year.

Pension obligations
The value of pension obligations for defined benefit pension plans is determined on the basis of actuarial calculations and is based on assumptions regarding the discount rate, expected return on plan assets, future salary increases, inflation and demographic circumstances. Any change in these assumptions affects the calculated value of pension obligations.

The discount rate is the most significant assumption and is based on the market yields of high-quality corporate bonds with maturity dates matching those of the pension obligations. The Group's defined benefit pension plans are primarily found in Sweden and the Group has determined that mortgage bonds are comparable with first-class corporate bonds, and therefore a selection of AAA-rated mortgage bonds are being used. A lower discount rate increases the present value of the pension obligation and their costs, while a higher discount rate has the opposite effect. Due to changing market conditions and economic circumstances, the underlying assumptions can deviate from the actual development and lead to significant changes in pension provisions.

The defined benefit pension plans, with deduction for any plan assets, are reported under Provisions for pensions. The reported net debt of the Group's pension obligations amounted at the balance sheet date to SEK 1,995 million (2,365). For more information, see Note 27, Pensions.

Testing for impairment of goodwill
The carrying amount for consolidated goodwill is SEK 2,576 million (6,847). Goodwill is tested annually or whenever events or changes in circumstances indicate that the value of goodwill may have decreased. Recoverable amounts for cash-generating units have been determined by calculation of the value in use. These calculations involve certain estimates, above all regarding sales growth, operating margin and discount rate. The assumptions used are described in Note 15, Intangible assets.

Deferred tax assets
Calculation of deferred tax assets necessarily involves assumptions with regard to future taxable income. An assessment has been made of nondeductible expenses and nontaxable revenue in accordance with current tax rules. Changes in tax legislation in the countries in which the Group operates, as well as changes in interpretations and implementations under current legislation, may affect the amounts of the deferred tax assets. At every balance sheet date, an assessment is made of the likelihood as to whether the tax asset arising will be utilized. Where required, the carrying amount of the deferred tax asset is adjusted. The assessment may affect income for the period, either negatively or positively. Deferred tax assets amount to SEK 1,113 million (1,159). See also Note 13, Tax.

NOTE 4 Financial risk management and financial instruments

The Bonnier Group is exposed to various types of financial risks. The Group's financial risks are managed by Bonnier Finans in accordance with the treasury policy that is reviewed and adopted by the Board. The treasury policy strives to minimize the financial risks to which the Group is exposed, primarily liquidity and refinancing risks, interest rate risks, currency risks, credit risks and counterparty risks. Within Bonnier Finans there are instructions, systems and a division of duties in place to achieve good internal control and monitoring of the operations. Risk is monitored on Group level and is reported to the Board.

Liquidity and refinancing risks
Liquidity risk refers to the risk that the Group will have difficulty in meeting future liquidity requirements in the form of payment obligations and will be unable to finance or refinance the Group's assets. Refinancing risk refers to the inability of the Group to refinance outstanding debt at a given point in time and on acceptable terms.

In order to optimize the Group's liquidity, there is a centralized cash-management function. As of December 31, 2019, the Group achieved its liquidity goal, cash and cash equivalents, bank deposits, short term investments and unutilized credit facility amounting to SEK 4,004 million (4,447).

Refinancing risk is managed by ensuring that no more than 40% of net debt matures within 12 months[1]. As of December 31, 2019, the Group complies with these goals. Due to the divestment of Bonnier Broadcasting, the majority of credit facilities have been terminated and amortized. As of December 31, 2019, the Bonnier Group no longer has any financial commitments or covenants. Information on current loans and credit facilities is also provided in Note 26, Liabilities to credit institutions.

The terms to maturity for all contractual payment obligations related to the Group's financial liabilities are presented in the following tables. The amounts refer to the contractual, undiscounted cash flows of the Group's financial liabilities based on the remaining contracted maturities as of December 31, 2019. Variable interest flows are derived from interest rates at the end of the reporting period. Cash flows in foreign currencies are converted to SEK at closing rate.

[1] Applicable if net debt exceeds SEK 2,000 million.

NOTE 4 **Cont.**

Maturity structure of financial liabilities Dec. 31, 2019

SEK million	Within 3 months	3-12 months	1-5 years	More than 5 years	Total
Liabilities to credit institutions	509	-	-	-	509
Derivatives	2	3	-	-	4
Lease liabilities	100	293	1,140	676	2,210
Other interest-bearing liabilities	21	1,443	119	82	1,666
Account payables	1,424	31	73	0	1,528
Total	**2,056**	**1,770**	**1,332**	**759**	**5,917**

Maturity structure of financial liabilities Dec. 31, 2018

SEK million	Within 3 months	3-12 months	1-5 years	More than 5 years	Total
Liabilities to credit institutions	2,202	541	1,149	329	4,221
Derivatives	5	3	65	0	72
Other interest-bearing liabilities	58	1,492	93	27	1,671
Account payables	2,181	64	2	0	2,247
Total	**4,446**	**2,099**	**1,309**	**357**	**8,211**

Interest rate risks

The Bonnier Group is exposed to interest rate risks through the debt portfolio and interest-bearing assets. Interest rate risks refer to the risk of changes in interest rates which will lead to fluctuations in the Group's results. The Group strives to minimize the effect on the results of changes in interest rates arising as a result of fluctuations in the financial markets. The Group has raised loan financing in SEK and EUR, with both fixed and variable interest rates. Detailed information about long-term borrowings is found in Note 25, Liabilities to credit institutions.

As of December 31, 2019, the fixed interest period was 5 months (8) after consideration of derivative instruments and the average interest rate was 0.42% (1.86).

Hedge accounting

The Group's credit facilities have to a large extent been amortized, and therefore all interest rate swaps have been terminated and no hedge accounting is applicable as of December 31, 2019.

Sensitivity analysis

The table below shows the estimated effect on profit or loss and equity with an increase or a decrease of 1% (100 basis points) on all interest rates on external loans and interest rate swaps hedging the loans.

Interest rate sensitivity	**Dec. 31, 2019**		**Dec. 31, 2018**	
SEK million	**Profit/loss impact**	**Equity impact**	**Profit/loss impact**	**Equity impact**
Effect on future financial expenses +1%	-5	-	-23	-
Effect on future financial expenses -1%	5	-	23	-
Revaluation effect + 1%	-	-	-	19
Revaluation effect - 1%	-	-	-	-20

Currency risks

The Bonnier Group is an international group and is accordingly exposed to foreign currency risks. This exposure refers to translation exposure and transaction exposure.

Translation risk

Translation exposure is the risk that the value of the Group's net assets in foreign currency will be negatively affected by changes in exchange rates. The Group's operations in different geographical locations give rise to currency effects when companies with functional currencies other than SEK are translated to Swedish krona in the consolidated financial statement. The effect on income is not hedged as regards changes in exchange rates when translating the operating profit/loss and equity in foreign subsidiaries.

Instead, the Group strives to reduce the translation exposure by matching receivables and liabilities in the same currency.

Transaction risk

The Group is subject to transaction exposure given that purchases and sales take place in currencies other than Swedish krona. Subsidiaries are responsible for monitoring this risk so that the transaction exposure in their operations is within the limits of the Group's financial policy. Transaction exposure is limited in light of the fact that inflows and outflows take place in the same currency, because there is a local presence in the different geographical areas. When a major purchase is carried out in a currency other than the functional currency, this is hedged through foreign currency forwards or currency options.

Hedge accounting

As of December 31, 2019, the Group had no outstanding foreign currency derivative instruments to hedge commercial cash flows.

NOTE 4 Cont.

Credit risks and counterparty risks

Credit risk refers to the risk of that a counterparty will default on its obligations to the Group, resulting in credit losses. Credit risk is divided into financial credit risks and operational risks.

Financial credit risk is the risk that banks or other financial institutions with which the Group has financial investments, liquidity or other investments in financial assets will be unable to meet their obligations to the Group, which can lead to a credit loss. The Group's policy regarding credit risks associated with financial transactions provides that only well-established counterparties with high credit ratings may be used. Each counterparty is assigned a separate credit limit to decrease risk concentration, and investments shall be made in securities with low credit risk and high liquidity. During the year, the credit losses amounted to SEK 3 million (0).

The credit risk on accounts receivable is that the Group would not receive payment for recognized account receivables. To prevent this, there are procedures for the follow-up of these items and, for larger sales amounts, credit information is obtained. The Group's accounts receivable are spread among a large number of customers, both private individuals and businesses. An age analysis for accounts receivable is presented in Note 22.

The Group's maximum exposure to credit risks is deemed to correspond to the carrying value of all financial assets and, on December 31, 2019, amounted to SEK 8,668 million (4,092).

Outstanding derivatives - Maturity structure

Fair value	**Dec. 31, 2019**				**Dec. 31, 2018**			
SEK million	**Assets**	**Nominal amount**	**Liabilities**	**Nominal amount**	**Assets**	**Nominal amount**	**Liabilities**	**Nominal amount**
Interest rate derivatives								
Within 3 months	-	-	-	-	-	-	-	400
Between 3-12 months	-	-	-	-	-	-	-	-
Between 1-5 years	-	-	-	-	-	-	65	1,400
More than 5 years	-	-	-	-	-	-	-	-
Total	**-**		**-**		**-**		**65**	
of which cash flow hedges	-		-		-		65	
Currency derivatives								
Within 3 months	16	1,802	2	405	32	3,048	4	635
Between 3-12 months	0	18	3	105	11	179	3	94
Between 1-5 years	1	22	-	-	-	-	-	-
More than 5 years	-	-	-	-	-	-	-	-
Total	**18**		**4**		**43**		**7**	
of which cash flow hedges	-		-		3		0	

Offset of financial assets and liabilities

All financial assets or liabilities are recognized gross in the statement of financial position. Derivatives are covered by ISDA agreements, which implies the right of offset between assets and liabilities with the same counterparty, e.g., insolvency under certain conditions. Derivatives subject to netting agreements are shown in the table below.

	Dec. 31, 2019		**Dec. 31, 2018**	
SEK million	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Gross value of derivatives recognized in the statement of financial position	18	4	43	72
Offset amount	-2	-2	-42	-42
Net position	16	2	1	30

NOTE 4 **Cont.**

Carrying amounts and fair values of financial assets and liabilities

SEK million		Dec. 31, 2019 Carrying amount	Dec. 31, 2018 Carrying amount
FINANCIAL ASSETS IFRS 9			
Measured at amortized cost			
Account receivables		2,236	2,632
Other receivables		1,303	536
Cash and cash equivalents		4,517	286
Measured at fair value through income statement or other comprehensive income			
Derivatives [1] [2]	Level 2	18	43
Measured at fair value through income statement			
Equity instruments	Level 3	595	595
Total financial assets		**8,668**	**4,092**
FINANCIAL LIABILITIES IFRS 9			
Measured at amortized cost			
Liabilities to credit institutions	Level 2	571	4,171
Measured at fair value through income statement or other comprehensive income			
Derivatives [1] [2]	Level 2	4	72
Contingent considerations	Level 3	87	72
Measured at fair value through income statement or equity			
Liabilities attributable to put options in noncontrolling interests	Level 3	126	61
Measured at amortized cost			
Account payables		1,528	2,247
Subscription liabilities and other advance payments from customers		1,141	978
Other liabilities		2,214	2,013
Total financial liabilities		**5,671**	**9,614**

[1] The revaluation effect of foreign exchange derivatives that are not used for a hedging relationship are shown in Note 12.

[2] The total P/L effect related to interest rate swaps amounts to SEK -10 million (-51); see Note 12 for further information.

There have been no transfers between the levels during the periods.

Fair value

Financial assets and financial liabilities carried at fair value are classified in one of the three levels in the fair-value hierarchy, based on the information used to determine the fair value. All of the Group's financial assets and liabilities carried at fair value are classified according to Level 2, with the exceptions of contingent considerations and liabilities attributable to put options in non-controlling interests and unlisted equity instruments classified at Level 3.

For the Group's other financial assets and liabilities, the carrying amounts are deemed to comprise a good approximation of the fair values. A calculation of fair value based on discounted future cash flows, where a discount rate reflecting the counterparty's credit risks represents the most significant input data, is not expected to result in any significant difference, compared with the carrying value.

Valuation of derivatives (Level 2)

Valuation in accordance with Level 2 is performed by using observable market data at the end of the reporting period. The fair value of interest rate swaps is determined by discounting estimated future cash flows, based on yield curves at the closing date. The fair value of each foreign currency contract is determined by the interest rate differential in the spot rate and the rate at the future date in each currency at closing date. The value is determined by discounting the actual forward rates at the closing date.

Measurement of unlisted equity instruments (Level 3)

The fair value of unlisted equity instruments is based on discounting future cash flows using a risk-adjusted interest rate and the value of the most recent transactions or capital raises in the holdings. Important assumptions in discounting are the discount rate and future cash flows. Measurements are performed continuously during the year and on the occasions of transactions and capital raises. The fair value would increase/decrease if the anticipated cash flows were to be higher/lower, or if the risk-adjusted interest rate were to be lower/higher.

Capital management

The capital management objectives of the Group are to minimize the effect on its financial position of fluctuations on the financial markets by securing the Group's short- and long-term capital requirement by ensuring that liquidity management is as efficient as possible, and by hedging interest rate and currency risks in order to minimize the effect on the Group's profit/loss and cash flow by minimizing fluctuations in profit/loss due to volatility in the financial markets. The Group defines capital as net debt and equity including non-controlling interests. Net debt amounted on December 31, 2019, to SEK 776 million (7,743) and equity amounted to SEK 5,507 million (3,650).

The Group monitors capital management by following various key ratios such as debt ratios and interest coverage ratios.

NOTE 5 Distribution of net sales

Bonnier Books [1]

	Sweden		Other Nordic countries		Europe		Other		Total	
SEK million	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Advertising	-	-	-	-	-	-	-	-	0	0
Subscription	292	251	169	91	26	6	0	0	487	348
Goods	702	733	456	480	3,020	2,950	377	317	4,554	4,480
Digital distribution	157	160	34	12	355	327	12	1	558	500
Film	-	-	-	-	-	-	-	-	0	0
Other	16	21	-	-	2	4	3	2	20	26
Net sales, external	**1,167**	**1,165**	**659**	**583**	**3,403**	**3,286**	**392**	**321**	**5,620**	**5,355**
								Net sales, group	**149**	**167**
								Total net sales	**5,770**	**5,522**

Adlibris [1]

	Sweden		Other Nordic countries		Europe		Other		Total	
SEK million	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Advertising	-	-	-	-	-	-	-	-	0	0
Subscription	33	21	12	11	0	0	-	-	46	32
Goods	1,551	1,587	561	589	-	-	-	-	2,111	2,176
Digital distribution	33	29	9	8	-	-	-	-	41	37
Film	-	-	-	-	-	-	-	-	0	0
Other	47	41	18	21	0	1	-	-	65	63
Net sales, external	**1,664**	**1,678**	**599**	**629**	**0**	**1**	**0**	**0**	**2,263**	**2,308**
								Net sales, group	**19**	**33**
								Total net sales	**2,282**	**2,341**

SF Studios

	Sweden		Other Nordic countries		Europe		Other		Total	
SEK million	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Advertising	-	-	-	-	-	-	-	-	0	0
Subscription	16	11	3	2	-	-	-	-	19	13
Goods	23	37	16	43	-	-	0	0	39	80
Digital distribution	236	230	176	145	16	12	-	-	428	386
Film	649	200	622	418	25	40	16	14	1,313	671
Other	33	54	16	10	1	0	9	0	59	64
Net sales, external	**957**	**531**	**833**	**618**	**43**	**52**	**25**	**14**	**1,857**	**1,215**
								Net sales, group	**41**	**41**
								Total net sales	**1 899**	**1,256**

Bonnier Ventures

	Sweden		Other Nordic countries		Europe		Other		Total	
SEK million	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Advertising	5	7	-	-	-	-	-	-	5	7
Subscription	-	-	-	-	-	-	-	-	0	0
Goods	7	0	-	-	-	0	-	-	7	1
Digital distribution	-	10	-	-	-	-	-	-	0	10
Film	-	-	-	-	-	-	-	-	0	0
Other	288	264	73	65	3	2	1	0	365	330
Net sales, external	**299**	**282**	**73**	**65**	**3**	**2**	**1**	**0**	**376**	**349**
								Net sales, group	**10**	**10**
								Total net sales	**386**	**358**

Bonnier Publications [1]

	Sweden		Other Nordic countries		Europe		Other		Total	
SEK million	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Advertising	83	108	120	166	18	16	0	1	221	292
Subscription	242	237	478	495	16	16	0	0	736	748
Goods	39	61	102	114	25	19	0	0	167	194
Digital distribution	1	1	4	8	0	0	0	0	6	9
Film	-	-	-	-	-	-	-	-	0	0
Other	3	0	48	50	4	6	1	1	56	58
Net sales, external	**368**	**407**	**753**	**833**	**63**	**57**	**1**	**2**	**1,185**	**1,300**
								Net sales, group	**23**	**28**
								Total net sales	**1,208**	**1,328**

[1] From January 1, 2019, onward, the Group consists of nine cash generating units. Bonnier Publications and Bonnier Corporation were previously included in Magazines. The remaining part of Magazines is now included in News. Businesses have also been transferred from Bonnier News to Adlibris and from Other to Bonnier Books and Bonnier Publications. E-commerce changed its name to Adlibris and Film Studios changed its name to SF Studios. Comparative figures have been adjusted as a result.

NOTE 5 **Cont.**

Bonnier Corporation [1)]

	Sweden		Other Nordic countries		Europe		Other		Total	
SEK million	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Advertising	-	-	-	-	-	-	381	486	381	486
Subscription	-	-	-	-	-	-	176	185	176	185
Goods	-	-	-	-	-	-	14	15	14	15
Digital distribution	-	-	-	-	-	-	0	0	0	0
Film	-	-	-	-	-	-	-	-	0	0
Other	-	-	-	-	-	-	626	303	626	303
Net sales, external	**0**	**0**	**0**	**0**	**0**	**0**	**1,197**	**989**	**1,197**	**989**
								Net sales, group	**0**	**0**
								Total net sales	**1 197**	**989**

Bonnier News [1)]

	Sweden		Other Nordic countries		Europe		Other		Total	
SEK million	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Advertising	2,057	1,780	242	262	163	177	22	24	2,483	2,243
Subscription	2,765	2,134	275	276	170	156	0	0	3,210	2,567
Goods	856	940	12	12	14	13	0	0	882	965
Digital distribution	41	32	0	0	1	0	0	0	43	33
Film	-	-	-	-	-	-	-	-	0	0
Other	679	557	60	61	202	191	0	0	941	810
Net sales, external	**6,398**	**5,443**	**589**	**611**	**549**	**538**	**22**	**24**	**7,559**	**6,616**
								Net sales, group	**20**	**97**
								Total net sales	**7,579**	**6,713**

Other [1)]

	Sweden		Other Nordic countries		Europe		Other		Total	
SEK million	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Advertising	0	1	-	-	-	-	-	-	0	1
Subscription	-	-	-	-	-	-	-	-	0	0
Goods	-9	1	-	-	-	-	-	-	-9	1
Digital distribution	-	-	-	-	-	-	-	-	0	0
Film	-	-	-	-	-	-	-	-	0	0
Other	42	25	136	150	-	-	-	-	178	175
Net sales, external	**33**	**26**	**136**	**150**	**0**	**0**	**0**	**0**	**169**	**176**
								Net sales, group	**131**	**140**
								Total net sales	**300**	**316**

Total

	Sweden		Other Nordic countries		Europe		Other		Total	
SEK million	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Advertising	2,144	1,896	362	429	180	193	403	511	3,090	3,028
Subscription	3,348	2,655	938	874	211	178	177	185	4,674	3,893
Goods	3,169	3,359	1,146	1,238	3,059	2,983	391	332	7,765	7,912
Digital distribution	468	461	223	173	372	339	12	1	1,076	974
Film	649	200	622	418	25	40	16	14	1,313	671
Other	1,102	956	350	357	212	204	639	307	2,309	1,829
Net sales, external	**10,882**	**9,526**	**3,642**	**3,489**	**4,061**	**3,937**	**1,637**	**1,350**	**20,227**	**18,307**
								Net sales, group	**393**	**516**
								Eliminations	**-393**	**-516**
								Total net sales	**20,227**	**18,307**

[1)] From January 1, 2019, onward, the Group consists of nine cash generating units. Bonnier Publications and Bonnier Corporation were previously included in Magazines. The remaining part of Magazines is now included in News. Businesses have also been transferred from Bonnier News to Adlibris and from Other to Bonnier Books and Bonnier Publications. E-commerce changed its name to Adlibris and Film Studios changed its name to SF Studios. Comparative figures have been adjusted as a result.

NOTE 6 **Personnel**

Average number of employees	2019 Number of employees	2019 of whom women, %	2018 Number of employees	2018 of whom women, %
Bonnier AB	**24**	**48**	**47**	**58**
Subsidiaries				
Sweden [1]	5,232	44	4,235	46
Denmark	742	50	765	52
Germany	655	75	632	75
United States	349	50	378	51
United Kingdom	311	69	349	67
Poland	263	59	281	57
Finland [1]	216	78	240	74
Estonia	209	72	210	69
Lithuania	121	70	125	70
Slovenia	103	66	103	68
Norway	91	42	130	62
Croatia	14	43	14	43
China	4	75	3	67
Luxembourg	2	0	3	33
France	-	-	56	50
Australia	-	-	14	79
Malta	-	-	13	30
Austria	-	-	1	0
Subsidiaries	**8,311**	**51**	**7,551**	**53**
Group	**8,335**	**51**	**7,597**	**53**

[1] Average number of employees in 2019 and 2018 is adjusted for Bonnier Broadcasting. Average number of employees in Bonnier Broadcasting amounts to 1,071 (1,130).

Board members and senior executives	Dec. 31, 2019 Number of employees	Dec. 31, 2019 of whom women, %	Dec. 31, 2018 Number of employees	Dec. 31, 2018 of whom women, %
Bonnier AB				
Board members	3	33	4	25
CEO and other senior executives	-	-	6	17
Group total [2]				
Board members	652	28	662	21
CEO and other senior executives	500	43	415	34

[2] Previous year is adjusted for Bonnier Broadcasting.

Wages, salaries, other remuneration and social security costs

SEK million	2019 Wages/salaries and other remuneration	2019 Social security costs	2019 Special payroll tax and tax return on pension	2019 Pension costs	2018 Wages/salaries and other remuneration	2018 Social security costs	2018 Special payroll tax and tax return on pension	2018 Pension costs
Bonnier AB	55	17	5	17	69	22	7	19
Subsidiaries [4]	4,796	1,035	69	431	4,202	913	8	118
Group total	**4,851**	**1,052**	**74**	**448**	**4,271**	**934**	**14**	**137**

Remuneration to Board members, CEO and other employees

SEK million	2019 Board members and CEO [3]	2019 Of which variable salaries	2019 Other employees	2018 Board members and CEO	2018 Of which variable salaries	2018 Other employees
Bonnier AB [3, 5]	-	-	55	10	1	59
Subsidiaries [4]	200	51	4,596	186	43	4,015
Group total	**200**	**51**	**4,651**	**196**	**44**	**4,074**

[3] From 2019 onward the Group is governed from Bonnier Group AB.
[4] Salaries, remuneration and social security cost are adjusted for Bonnier Broadcasting. In 2019 salaries, remuneration and social security costs amounted to 1,046 million (1,179) in total.
[5] For information regarding CEO restructuring cost, see Note 7.

NOTE 6 **cont.**

Severance pay and term of notice
The period of notice for the CEO is 12 months when initiated by both the company and the CEO. No severance pay is paid. For other senior executives, the period of notice varies, mainly between 6 and 12 months. The term of notice is regulated by agreements and, in addition, there are severance pay agreements in some cases.

Pensions
The retirement age for the CEO is 65 years and the pension premiums shall amount to 30% of pensionable salary. Pensionable salary means base salary. For other senior executives, the retirement age varies between 60 and 65 years.

The Parent Company's pension costs for present and former Boards of Directors and CEOs amount to SEK 0.5 million (0.9). The Parent Company's pension commitments to these individuals amounts to SEK 81.4 million (85.9).

The Group's pension costs for the Board of Directors and CEOs amount to SEK 17 million (17). The Group's pension commitments to these individuals amount to SEK 147 million (167).

NOTE 7 **Restructuring costs**

SEK million	2019	2018
Restructuring costs, employees	45	114
Restructuring costs, other	27	92
Total	**72**	**205**

The restructuring costs related to personnel in 2018 were SEK 38 million attributable to the Parent Company Bonnier AB, including SEK 7 million in salaries and other remuneration and SEK 2 million in pensions for the company's former CEO.

NOTE 8 **Lease agreements**

Right-of-use assets		2019		
SEK million	**Buildings**	**Cars**	**Other**	**Total**
Cost				
Opening balance	2,664	33	3	2,700
Adjustment for additional right-of-use assets	200	8	0	208
Acquired companies	114	31	22	166
Divested companies	-550	-3	-3	-557
Translation differences	6	0	0	6
Closing balance	**2,434**	**68**	**21**	**2,523**
Depreciation				
Opening balance	-	-	-	0
Divested companies	74	2	1	76
Depreciation for the year	-478	-26	-1	-505
Translation differences	-4	0	0	-4
Closing balance	**-408**	**-24**	**0**	**-432**
Carrying amount December 31	**2,026**	**43**	**21**	**2,091**

Lease liabilities

SEK million	Dec. 31, 2019
Current	383
Non-current	1,653
Total	**2,036**

Values displayed in the Income statement

SEK million	Dec. 31, 2019
Interest component	-74
Cost for short-term leases and assets of low value	-104

Total payments 2019 regarding lease contracts amounted to SEK 582 million.

Lease liabilities

SEK million	
Operational lease commitments Dec. 31, 2018	2,457
Discounted value at marginal loan interest rate of the first date of application	2,358
Short-term leases and assets of low value	-155
Changed evaluation of contracts	343
Lease liability Jan. 1, 2019	**2,546**

NOTE 9 Fees to auditors

SEK million	2019	2018
PricewaterhouseCoopers		
Audit assignment	26	26
Audit-related activities in addition to audit assignment	1	2
Tax advice	1	0
Other services	9	10
Other auditors		
Audit assignment	2	3
Audit-related activities in addition to audit assignment	-	0
Tax advice	3	3
Other services	0	0
Total	**41**	**44**

NOTE 10 Profit or loss from participations in associated companies and joint ventures

	Operating profit or loss[1]		Net financials		Tax		Total	
SEK million	2019	2018	2019	2018	2019	2018	2019	2018
Associated companies								
Borås Tidning Tryckeri AB	-2	5	0	0	1	-1	-2	4
Other	24	46	2	0	-6	-7	20	39
	22	**51**	**2**	**0**	**-6**	**-9**	**18**	**42**
Joint ventures								
Cappelen Damm Holding AS	-40	-25	-107	-5	34	8	-113	-23
	-40	**-25**	**-107**	**-5**	**34**	**8**	**-113**	**-23**
Total associated companies and joint ventures	**-18**	**26**	**-105**	**-5**	**28**	**-1**	**-95**	**19**

[1] Bonnier Broadcasting is excluded in the 2019 and 2018 figures.

NOTE 11 Items related to acquisitions, divestments and close-downs together with amortization/impairment losses of group excess values

SEK million	2019	2018[3]
Capital gains on divestments and close-downs of operations	115	226
Capital losses on divestments and close-downs of operations	-77	-188
Transaction costs on acquisitions	-18	-2
Change of future consideration	12	1
Impairment losses of operations during close-downs [1]	-	-112
Depreciation, amortization and impairment losses of group excess values	-21	-8
Impairment losses of goodwill [2]	-104	-853
Other	-	-92
Total	**-92**	**-1,030**

[1] In 2018 additional impairment losses were made, mainly in Australia.
[2] For information about impairment losses of goodwill, see Note 14, Intangible assets.
[3] 2018 figures have been adjusted as a result of the divestment of Bonnier Broadcasting.

NOTE 12 Financial income and expenses

SEK million	2019	2018
Interest income on assets measured at amortized cost	13	13
Interest income	**13**	**13**
Interest expenses on financial liabilities measured at amortized cost	-54	-69
Interest expenses on derivatives designated as hedging instruments	-10	-51
Interest expenses on pensions, net	-56	-65
Interest expenses on leasing	-74	-
Interest expenses	**-195**	**-185**
Net interest income/expenses	**-182**	**-173**
Derivatives, non-hedge accounting, changes in fair value	-9	-15
Ineffective cash flow hedges	-	0
Gains/losses on equity instruments measured at fair value through the income statement	20	58
Impairment losses on financial assets	-3	-
Foreign exchange rate gain, net	301	-
Other	-31	-23
Other financial income and expenses	**238**	**20**
Net financial income/expenses from participations in associated companies and joint ventures	**-105**	**-5**
Net financial income/expenses	**-49**	**-158**

NOTE 13 **Tax**

SEK million	2019	2018 [1]
Current tax		
Current tax on profit/loss for the year	-110	-101
Adjustment of current taxes for previous years	-1	-4
Total current tax	**-112**	**-104**
Deferred tax	-109	-395
Share of joint ventures and associated companies' tax	28	-1
Total tax	**-193**	**-501**

Reconciliation of tax expense

SEK million	2019	2018
Profit/loss before tax	-132	-1,597
Reversal of result from discontinued operations	-	1,226
Reversal of capital gains	-38	-30
Reversal of profit or loss from participations in associated companies and joint ventures	123	-17
Non-taxable income	-47	-885
Non-deductible expenses	307	1,487
Taxable profit/loss	**213**	**184**
Income tax calculated according to the Swedish tax rate (22%)	-46	-40
Difference in tax rates in foreign subsidiaries	-21	25
Utilization of previously non-reported loss carry-forwards	28	18
Revaluation due to changes of tax rate	-17	-33
Deferred tax arising from revaluation of tax loss carry-forwards	-6	-174
Increase in tax loss carry-forwards without corresponding utilization of deferred tax	-113	-141
Other	-45	-150
Total	**-220**	**-495**
Adjustments reported in the current year relating to prior years' taxes	-1	-4
Tax related to associated companies and joint ventures	28	-1
Recognized tax expense	**-193**	**-501**

Tax related to components of other comprehensive income

SEK million	2019	2018
Deferred tax		
Revaluation of defined benefit pension plans	83	35
Cash flow hedges	-13	-10
Total tax recognized directly in other comprehensive income	**70**	**24**

Deferred tax assets

SEK million	Dec. 31, 2019	Dec. 31, 2018
Intangible assets	13	16
Property, plant and equipment	82	81
Inventories	2	2
Account receivables and other receivables	1	7
Pension obligations	243	295
Other provisions	29	46
Derivatives	-	2
Account payables and other liabilities	38	47
Loss carry-forward	718	678
Offset	-14	-15
Carrying amount	**1,113**	**1,159**

Deferred tax liabilities

SEK million	Dec. 31, 2019	Dec. 31, 2018
Intangible assets	148	190
Property, plant and equipment	3	-
Inventories	3	3
Other provisions	-	1
Derivatives	1	-
Untaxed reserves	68	81
Offset	-14	-15
Carrying amount	**208**	**260**
Deferred tax assets/tax liabilities, net	**905**	**899**

[1] Adjustments of 2018 figures have been made as a result of the divested business Bonnier Broadcasting.

Tax loss carry-forward

Deferred tax assets related to tax loss carry-forwards are recognized to the extent that it is probable that these amounts can be utilized against future taxable profit before tax loss carry-forwards expire.

As of December 31, 2019, tax loss carry-forwards amounted to SEK 3,254 million (2,883) and relate to countries with indefinite periods of use, above all in Sweden, Luxembourg and the U.K. Deficits from negative interest net that could be utilized within six years amounted to SEK 23 million. The tax effect from tax loss carry-forwards is accounted as an asset.

In addition to deferred tax assets relating to deficits reported, there are substantial tax loss carry-forwards that have not been valued.

NOTE 14 **Intangible assets**

SEK million	Goodwill 2019	Goodwill 2018	Film and program rights 2019	Film and program rights 2018	Other intangible assets 2019	Other intangible assets 2018	Total 2019	Total 2018
Cost								
Opening balance	9,575	9,465	5,994	3,750	3,235	2,900	18,804	16,115
Adjustment for changed accounting policy [1]	-	-	-	-46	-	-	0	-46
Adjusted opening balance [1]	9,575	9,465	5,994	3,703	3,235	2,900	18,804	16,069
Investments	629	58	4,199	4,175	301	369	5,129	4,602
Sales and disposals	-	-224	549	-3,920	-46	-34	503	-4,178
Acquisitions and divestments of companies	-6,395		-8,004	3	-1,128	-139	-15,527	-136
Reclassifications		-	-305	1,908	132	70	-173	1,978
Translation differences	749	276	87	124	52	68	888	468
Closing balance[1]	**4,557**	**9,575**	**2,520**	**5,994**	**2,546**	**3,235**	**9,623**	**18,804**
Amortization								
Opening balance			-3,279	-1,582	-1,784	-1,430	-5,063	-3,012
Adjustment for changed accounting policy [1]			-	39	-	-	0	39
Adjusted opening balance [1]			-3,279	-1,542	-1,784	-1,430	-5,063	-2,972
Sales and disposals			-60	3,917	16	29	-44	3,945
Acquisitions and divestments of companies			4,862	-	592	41	5,454	41
Amortization for the year			-3,905	-3,881	-395	-366	-4,300	-4,247
Reclassifications			305	-1,675	9	-19	315	-1,693
Translation differences			-65	-97	-36	-40	-100	-137
Closing balance			**-2,141**	**-3,279**	**-1,597**	**-1,784**	**-3,738**	**-5,063**
Impairment								
Opening balance	-2,728	-1,785	0	0	-169	-141	-2,897	-1,927
Sales and disposals	0	103	-	-	30	0	30	103
Acquisitions and divestments of companies	922		-	-	0	3	922	3
Impairment losses for the year and reversed impairments	-100	-853	-	-	-39	-24	-138	-877
Reclassifications	0	-38	-	-	5	1	5	-37
Translation differences	-76	-154	-	-	-4	-7	-79	-161
Closing balance	**-1,981**	**-2,728**	**0**	**0**	**-177**	**-169**	**-2,158**	**-2,897**
Carrying amount, December 31	**2,576**	**6,847**	**379**	**2,715**	**772**	**1,282**	**3,728**	**10,844**

The Group's contractual commitments regarding future payments for contractual rights amounted to SEK 144 million (7,552) as of December 31, 2019. The carrying amount of intangible assets with indefinite useful lives, excluding goodwill, amounted to SEK 40 million (390). These assets in the form of trademarks have a strong position in each of their markets and the cash flows are not expected to change within the foreseeable future.

Impairment test

Goodwill and other intangible assets with indefinite useful lives acquired in a business combination are allocated to each cash-generating unit of the Group expected to benefit from the acquisition. Goodwill has been allocated as follows:

Company	Goodwill Dec. 31, 2019	Goodwill Dec. 31, 2018
Bonnier Books	670	642
Adlibris[2]	205	203
Bonnier Broadcasting	-	4,720
SF Studios [2]	221	19
Bonnier Publications [2]	209	205
Bonnier Corporation [2]	102	100
Bonnier News[2]	984	685
Other	184	273
Carrying amount	**2,576**	**6,847**

Company	Trademark Dec. 31, 2019	Trademark Dec. 31, 2018
Bonnier Broadcasting	-	350
SF Studios [2]	40	40
Carrying amount	**40**	**390**

The recoverable value for a cash-generating unit at impairment testing of goodwill and other intangible assets with indefinite useful lives is determined based on a value-in-use. The calculation which uses cash flow projections based on financial budgets approved by management covering a 5-year period. The key assump-

[1] Adjusted to reflect the impact of changed accounting policy for financial instruments. For further information, see Note 2.

[1] From January 1, 2019, onward, the Group consists of nine cash generating units. Bonnier Publications and Bonnier Corporation were previously included in Magazines. The remaining part of Magazines is now included in News. Businesses have also been transferred from Bonnier News to Adlibris and from Other to Bonnier Books and Bonnier Publications. E-commerce changed its name to Adlibris and Film Studios changed its name to SF Studios. Comparative figures have been adjusted as a result.

NOTE 14 **Cont.**

tions used in the assessment of future cash-flow relate to sales growth, operating margin and discount rate. The estimated growth rate is based on forecasts in the industry. The forecasted operating margin has been based on past performance and management's expectations of market development. The discount rate of 9% (8) after taxes reflects specific risks related to the asset and market assessments of the time value of money. In some cases, a higher or lower discount rate may be used depending on circumstances such as, the market in the country. For cash flows beyond the 5-year period, a growth rate amounting to 2% (2) is applied, which agrees with the Group's long-term assumptions regarding inflation and the long-term growth in the market.

Impairment of goodwill was made in 2019 regarding specific trademarks within Adlibris and Other. A change in the assumption of growth after forecasted period of -0.5%, or an increase of WACC of 1%, would result in a need to impair SF Studios.

For other goodwill and trademarks with indefinite useful life, based on the assumptions presented, the value in use exceeds the carrying amount. Reasonable changes in the presented assumptions would not result in any impairment.

NOTE 15 **Property, plant and equipment**

	Buildings and land		Plants and machinery		Equipment, tools, fixtures and fittings		Construction in progress and advances		Total	
SEK million	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Cost										
Opening balance	282	298	2,508	2,499	1,053	1,131	13	19	3,855	3,948
Investments	11	26	30	9	88	110	-4	11	125	155
Sales and disposals	-6	-56	-25	-2	-81	-115	0	0	-111	-173
Acquisitions and divestments of companies	-22	-9	68	-9	-116	-24	13	-1	-57	-42
Reclassifications	0	10	25	0	1	-75	-20	-17	6	-83
Translation differences	7	13	9	11	17	26	0	0	33	50
Closing balance	**271**	**282**	**2,615**	**2,508**	**961**	**1,053**	**2**	**13**	**3,849**	**3,855**
Depreciation										
Opening balance	-180	-192	-1,650	-1,616	-820	-827	0	0	-2,650	-2,635
Sales and disposals	3	56	24	2	65	94	-	-	93	151
Acquisitions and divestments of companies	61	1	-62	6	98	12	-	-	97	19
Depreciation for the year	-33	-28	-10	-36	-96	-102	-	-	-139	-167
Reclassifications	0	-8	1	7	0	21	-	-	0	20
Translation differences	-4	-9	-9	-12	-12	-18	-	-	-26	-39
Closing balance	**-153**	**-180**	**-1,706**	**-1,650**	**-765**	**-820**	**0**	**0**	**-2,624**	**-2,650**
Impairment										
Opening balance	-1	0	-852	-769	-14	-19	0	0	-866	-789
Sales and disposals	0	-	-	-	14	16	-	-	14	16
Acquisitions and divestments of companies	-	-	-	-	2	-	-	-	2	0
Impairment losses for the year	-3	-1	-	-26	-	-9	-	-	-3	-36
Reclassifications	-	-	-	-57	-16	-	-	-	-16	-57
Translation differences	0	0	-	0	-	-1	-	-	0	-1
Closing balance	**-4**	**-1**	**-852**	**-852**	**-15**	**-14**	**0**	**0**	**-870**	**-866**
Carrying amount December 31	**115**	**101**	**58**	**7**	**181**	**219**	**1**	**13**	**356**	**339**

NOTE 16 **Business combinations and divestments**

In 2019, the Bonnier AB Group acquired MittMedia, FLX and a number of minor business combinations. The acquisitions correspond to net assets of SEK -200 million (6). Acquisition-related costs amounting to SEK 18 million (2) are recognized as "Items related to acquisitions, divestments and close-downs together with amortization/impairment losses of group excess values" in the income statement. For those acquisitions that include a contingent consideration clause, the fair value of the contingent consideration has been calculated based on the expected outcome of the contractual agreements and on a discount rate of 3.5%.

MittMedia was acquired April 3, 2019, 80 % of the shares and voting rights were acquired. FLX was acquired June 14, 2019, 68.9% of the shares and voting rights were acquired. In both of the acquisitions the Bonnier AB Group received control of the operations upon the date of closing the acquisitions. The goodwill is not deductible for tax purposes. The contingent considerations are based on fulfilling certain profitability measures.

The acquisition calculations are preliminary and subject to final adjustment occurring within one year after the acquisition date. No material adjustments are expected.

The carrying amount of net assets acquired		**2019**			**2018**
SEK million	**MittMedia**	**FLX**	**Other**	**Total**	**Total**
Non-current assets	302	4	3	309	5
Interest-bearing current assets	8	6	20	34	10
Interest-bearing non-current liabilities	-119	-	-4	-122	-11
Non-interest-bearing non-current liabilities	-	-	-5	-5	-5
Interest-bearing current liabilities	-74	-	0	-74	0
Non-interest-bearing operating capital, net	-384	15	38	-332	7
Deferred tax liabilities	-10	0	0	-10	0
Net assets acquired	**-277**	**24**	**52**	**-200**	**6**
Non-controlling interests	-26	-	5	-21	-
Goodwill	405	209	15	629	58
Fair value on previously owned share	-	-88	-6	-94	0
Total consideration	**102**	**144**	**67**	**314**	**64**
Consideration paid in cash	-42	-74	-67	-183	-58
Paid in cash, contingent considerations	-	-	-18	-18	-37
Paid in cash for put options and step acquisitions	-	-	-16	-16	-191
Less cash and cash equivalent balances acquired	8	5	4	18	10
Net cash flow	**-34**	**-69**	**-97**	**-200**	**-276**
Net debt items, excluding cash and cash equivalents, and contingent consideration and put options	-191	-	10	-181	-10
Transaction costs	-11	-1	-2	-14	-2
Changes in contingent consideration and put options	-60	-63	35	-88	258
Net debt effect	**-296**	**-133**	**-54**	**-482**	**-30**

Impact of acquisitions on the profit or loss of the Group
The Group's revenues for the year include SEK 1,449 million (22) attributable to business combinations in 2019. MittMedia contributed SEK 1,303 million and FLX contributed SEK 102 million. These acquisitions have contributed SEK -39 million (-12) to the Group's profit or loss in 2019, MittMedia contributed SEK -41 million and FLX contributed SEK 3 million. If the acquisitions had been made on January 1, 2019, the Group's revenues would have amounted to SEK 20,796 million (26,695) and the Group's profit or loss to SEK 1,951 million (-847).

Divestments of subsidiaries/businesses (exklusive of Bonnier Broadcasting)
During 2019, the Bonnier Group made a number of minor divestments of subsidiaries/businesses. The divestments generated a capital gain of SEK 17 million (1) and the divestment of assets during the year led to a tax expense of SEK 177 million. The net effect on debt of these divestments was SEK 38 million (265).

Divestment of Bonnier Broadcasting

The divestment of Bonnier Broadcasting to Telia Company was performed on December 2, 2019 after approval from the European Commission. Income statement and cash flow for the period are presented as discontinued operations. The purchase price, on a cash and debt-free basis, amounts to SEK 9.2 billion. In addition, there is a contingent consideration based on certain profitability measures. The final settlement of the purchase price will be done during the second quarter of 2020.

Income statement discontinued operations

SEK million	2019	2018
Revenues	8,075	8,165
Expenses	-7,015	-6,950
Profit before tax	1,060	1,215
Tax	-252	11
Result from discontinued opertions after tax	**808**	**1,226**
Result from divestment of shares in subsidiaries	2,330	-
Profit for the period from discontinued operations	**3,138**	**1,226**
Translation differences recycled	-334	
Other comprehensive income from discontinued operations	**-334**	
Purchase price		
Cash	8,461	
Fair value of contingent consideration	389	
Total purchase price	**8,850**	
Carrying amount of divested net assets	6,636	
Profit before recycled translation difference	**2,214**	
Translation difference recycled	334	
Transaction costs	-218	
Profit for the period from discontinued operations	**2,330**	
Carrying amount of divested assets and liabilities		
Goodwill	4,742	
Intangible assets	3,182	
Tangible assets	568	
Operating assets	1,064	
Total assets	**9,556**	
Operting liabilities	1,521	
Other liabilities	1,399	
Total liabilities	**2,920**	
Net assets	**6,636**	

The net debt effect from the divestment amounts to SEK +9,807 million.

NOTE 17 Participations in associated companies and joint ventures

	Associated companies		Joint ventures		Total	
SEK million	2019	2018	2019	2018	2019	2018
Carrying amount, opening balance	240	285	250	265	490	550
Profit/loss before tax	24	51	-147	-30	-123	21
Tax	-6	-9	34	8	28	-1
Other comprehensive income	1	-2	10	8	11	6
Dividends	-24	-25	-	-	-24	-25
Acquisitions	28	20	-	-	28	20
Divestments	-88	-72	0	-	-88	-72
Impairment	-3	-	-	-	-3	0
Reclassifications	58	-8	-	0	58	-8
Other	0	-	-	-	0	0
Carrying amount, closing balance	**231**	**241**	**146**	**250**	**377**	**490**

Participations in associated companies

	Dec. 31, 2019 Ownership	Dec. 31, 2018 Ownership	Dec. 31, 2019 Carrying amount	Dec. 31, 2018 Carrying amount
Borås Tidning Tryckeri AB, Sweden	0%	50%	-	28
Other associated companies			231	212
Participations in associated companies			**231**	**240**

The Group's share of net assets in significant associated companies

SEK million	Dec. 31, 2019 Borås Tidning Tryckeri AB	Dec. 31, 2018 Borås Tidning Tryckeri AB
Non-current assets	-	6
Current assets	-	81
Non-current and current liabilities	-	-31
Net assets (100%)	**-**	**57**
Ownership	0%	50%
The Group's share of net assets	**-**	**28**

The Group's share of profit or loss in significant associated companies

SEK million	2019 Borås Tidning Tryckeri AB	2018 Borås Tidning Tryckeri AB
Revenues	-	135
Amortization and depreciation	-	-4
Interest income	-	0
Interest expenses	-	0
Tax	-	-3
Profit or loss for the year	-	8
Other comprehensive income	-	-
Total comprehensive income for the year (100%)	**0**	**8**
Ownership	0%	50%
The Group's share of total comprehensive income for the year	**0**	**4**
Dividends received	-	8

The financial information in respect of the associated companies represents the amounts shown in the associated companies' financial statements.

NOTE 17 **Cont.**

Participations in joint ventures	Dec. 31, 2019 Ownership	Dec. 31, 2018 Ownership	Dec. 31, 2019 Carrying amount	Dec. 31, 2018 Carrying amount
Cappelen Damm Holding AS, Norway	50%	50%	146	250
Participations in joint ventures			**146**	**250**

The operations in Cappelen Damm Holding AS include bookstores, book clubs, distribution and publishing in Norway. The business is equally owned by Bonnier AB and Egmont Media Group.

The Group's share of net assets in significant joint ventures	Dec. 31, 2019	Dec. 31, 2018
SEK million	Cappelen Damm Holding AS	Cappelen Damm Holding AS
Current assets	576	630
Non-current assets	985	764
Current liabilities	771	669
Non-current liabilities	331	64
Net assets (100%)	**459**	**660**
Ownership	50%	50%
The Group's share of net assets	**230**	**330**

The Group's share of profit in significant joint ventures	2019	2018
SEK million	Cappelen Damm Holding AS	Cappelen Damm Holding AS
Revenues	1,519	1,624
Amortization and depreciation	-263	-43
Interest income	0	1
Interest expenses	-42	-11
Tax	68	15
Profit or loss for the year	-225	-46
Other comprehensive income	-	-
Total comprehensive income for the year (100%)	**-225**	**-46**
Ownership	50%	50%
The Group's share of total comprehensive income for the year	**-113**	**-23**
Dividends received	-	-

The financial information in respect of the joint ventures represents the amounts shown in the respective joint venture's financial statements. Joint ventures apply IFRS in their reporting to the Group.

NOTE 18 **Other long-term investments**

SEK million	2019	2018
Cost		
Opening balance	592	338
Adjustment for changed accounting policy	-	54
Investments	133	121
Divestments	-155	-24
Reclassification	18	64
Change in fair value [1]	4	41
Closing balance	**591**	**592**
Impairment	-	-
Carrying amount	**591**	**592**

[1] The change in fair value is recognized in the income statement under the heading Other financial income and expense.

NOTE 19 **Derivatives**

	Dec. 31, 2019		Dec. 31, 2018	
SEK million	**Nominal amount**	**Carrying amount**	**Nominal amount**	**Carrying amount**
Interest rate swaps				
-Liabilities	-	-	1,800	-65
Foreign exchange derivatives				
-Assets	1 842	18	3,227	43
-Liabilities	510	-4	729	-7
Carrying amount, net		**13**		**-28**

In the statement of financial position, the above derivative instruments have been classified as:

	Dec. 31, 2019	Dec. 31, 2018
Financial assets	1	-
Current assets	17	43
Non-current liabilities	-	-65
Current liabilities	-4	-7
Carrying amount, net	**13**	**-28**

For more information regarding derivative instruments, see Note 4.

NOTE 20 **Long-term receivables**

SEK million	2019	2018
Cost		
Opening balance	105	107
Investments	86	5
Divestments/amortization	-34	-2
Reclassification	0	-6
Other	1	2
Closing balance	**158**	**105**
Impairment		
Opening balance	-26	-26
Other	0	0
Closing balance	**-26**	**-26**
Carrying amount	**132**	**79**

NOTE 21 **Inventories**

SEK million	Dec. 31, 2019	Dec. 31, 2018
Raw materials and consumables	52	54
Semi-finished goods	146	280
Finished goods	462	463
Goods for resale	360	534
Advance payments to suppliers	349	439
Carrying amount	**1,369**	**1,770**

NOTE 22 **Account receivables**

SEK million	Dec. 31, 2019	Dec. 31, 2018
Account receivables, gross	2,621	3,038
Reserve for doubtful debt	-124	-127
Reserve for returned products	-262	-280
Carrying amount	**2,236**	**2,632**

Reserve for doubtful debt

SEK million	2019	2018
Reserve for doubtful debt, opening balance	-127	-192
Reported reserves for doubtful debt	-61	-74
Reversal of unutilized reserves	42	25
Utilized reserves	14	46
Acquired and divested companies	13	-
Reclassification	-3	74
Translation differences	-2	-6
Reserve for doubtful account receivables, closing balance	**-124**	**-127**

Reserve for returned products

SEK million	2019	2018
Reserve for returned products, opening balance	-280	-229
Reserve for the year	-204	-246
Reversal for the year	229	215
Divested companies	1	-
Reclassification	0	-15
Translation differences	-8	-6
Reserve for returned products, closing balance	**-262**	**-280**

Age analysis		**Dec. 31, 2019**		
SEK million	**Gross**	**Reserve for doubtful debt**	**Reserve for returned products**	**Account receivables**
Not overdue	1,935	-10	-244	1,681
Overdue 1-7 days	142	0	0	142
Overdue 8-30 days	197	-2	-1	193
Overdue 31-90 days	82	-12	-3	67
Overdue > 90 days	265	-100	-13	152
Total	**2,621**	**-124**	**-262**	**2,236**

Age analysis		**Dec. 31, 2018**		
SEK million	**Gross**	**Reserve for doubtful debt**	**Reserve for returned products**	**Account receivables**
Not overdue	2,264	-3	-261	2,000
Overdue 1-7 days	317	-15	0	302
Overdue 8-30 days	217	-2	-1	214
Overdue 31-90 days	103	-12	-1	90
Overdue > 90 days	138	-95	-17	26
Total	**3,038**	**-127**	**-280**	**2,632**

The Group's assessment is that payments will be received for account receivables which are due but which have not been written down. These receivables refer to a large number of geographically dispersed customers.

Noninvoiced income amounts to SEK 356 million (729), which is included in non-interest-bearing "Prepaid expenses and accrued income" for a total of SEK 1,088 million (1,117).

NOTE 23 Other short-term receivables

SEK million	Dec. 31, 2019	Dec. 31, 2018
Non-interest-bearing		
Receivables from Group companies	7	0
Receivables from associated companies	4	3
Tax receivables	124	139
Other receivables	264	211
Carrying amount, non-interest-bearing	**399**	**353**

SEK million	Dec. 31, 2019	Dec. 31, 2018
Interest-bearing		
Receivables from Group companies	190	-
Receivables from associated companies	24	11
Receivables from joint ventures	132	128
Other receivables	645	162
Carrying amount, interest-bearing	**991**	**301**

NOTE 24 Cash and cash equivalents

SEK million	Dec. 31, 2019	Dec. 31, 2018
Short-term investments	3,917	-
Cash and bank balances	600	286
Carrying amount	**4,517**	**286**

Credit facility

The Group has SEK 0 million (6,500) in committed credit facilities whereof SEK 0 million (400) is utilized. All external non-current liabilities have been amortized in 2019 as a result of the sale of Bonnier Broadcasting.

For more information, see Note 4, Financial risk management and financial instruments.

NOTE 25 Equity

Information regarding shares (quantity)	Dec. 31, 2018	Dec. 31, 2019
Class A shares	5,228,296	5,228,296
Class C shares	771,704	771,704
Total number of shares	**6,000,000**	**6,000,000**

The Parent Company's shares are divided into two classes, A and C. The shares grant the same rights, except that shares in Class A grant one vote per share while the shares in Class C grant 10 votes per share.

The quotient value is 50. Share capital amounts to SEK million 300 (300).

NOTE 25 Cont.

Reserves

SEK million	2019	2018
Translation reserves		
Opening balance	-63	49
Transferred to profit or loss	-327	6
Translation differences for the year	-385	-118
Translation differences on participations in associated companies and joint ventures	0	0
Closing balance	**-773**	**-63**
Hedging reserve		
Opening balance	-50	-78
Adjustment for changed accounting policy [1]	-	-5
Opening balance after adjustment for changed accounting policy [1]	-50	-83
Transferred to profit or loss	64	0
Change in value during the year	1	43
Divested business	-1	-
Translation differences for the year	0	1
Tax attributable to changes during the year	-13	-10
Closing balance	**0**	**-50**
Carrying amount, December 31	**-773**	**-113**

[1] Adjusted to reflect the impact of changed accounting policy for financial instruments. For further information, see Note 2.

Translation reserves

The translation reserves consist of all foreign translation differences arising on the translation of the foreign operations' financial statements.

Hedging reserve

The hedging reserve consists of the effective portion of net changes in the fair value of certain instruments used for cash flow hedges.

Non-controlling interests

SEK million	2019	2018
Opening balance	101	137
Adjustment for changed accounting policy [1]	-	-3
Opening balance after adjustment for changed accounting policy [1]	101	134
Share of profit or loss	24	3
Share of other comprehensive income for the year, net after tax	2	1
Dividends to non-controlling interests	-40	-43
Shareholders' contributions	60	-
Change in conjunction with acquisitions and divestments of non-controlling interests	34	5
Closing balance	**180**	**101**

[1] Adjusted to reflect the impact of changed accounting policy for revenue. For further information, see Note 2.

The majority of the subsidiaries are wholly owned by the Bonnier Group and are therefore controlled by the Bonnier Group.

Information about the Group's composition and shares of non-controlling interests is disclosed in the Parent Company's Note 24, Group companies.

NOTE 26 **Liabilities to credit institutions**

(Amounts in SEK million unless otherwise stated)	Due	Confirmed facility and loans	Borrowed nominal amount	Currency	Interest rate type	Dec. 31, 2019 Carrying amount	Dec. 31, 2018 Carrying amount
Private placement	2019	250 MSEK	-	SEK	Variable	-	250
Commercial paper	2020			SEK	Variable	509	1,939
Syndicated bank loan	2019	6,500 MSEK	-	SEK	Variable	-	400
Private placement	2019	250 MSEK	-	SEK	Variable	-	250
Private placement	2019	250 MSEK	-	SEK	Variable	-	250
Private placement	2019	100 MEUR	-	EUR	Variable	-	1,026
Other bank loans						8	19
Less short-term portion of long-term loans						-509	-2,271
Non-current liabilities to credit institutions, total						**8**	**1,863**
Short-term portion of long-term loans						509	2,271
Short-term loans						54	37
Current liabilities to credit institutions, total						**563**	**2,308**
Liabilities to credit institutions, total						**571**	**4,171**

The average interest rate for all loans is 0.50% (1.37). The fair value equals the carrying amount for all liabilities to credit institutions. See Note 4 for more information regarding the Group's exposure to interest rate risk. All external non-current liabilities have been repaid in 2019 as a result of the sale of Bonnier Broadcasting.

NOTE 27 **Pensions**

The Group's pension obligations include both defined contribution and defined benefit pension plans. Most of the Group's pension plans are defined contribution pension plans and these are used in Sweden and other countries. The defined benefit pension plans are primarily used in Sweden.

Defined benefit pension plans

In Sweden, white collar workers born in or before 1978 are covered by ITP 2. Pension plans secured through policies issued by Alecta are reported as defined contribution plans and are described in the next section. Other ITP 2 plans are reported as defined benefit where the obligations remain within the Group or are secured through Group pension foundations. The ITP 2 plans cover retirement pension, disability pension and survivor's pension. The retirement pension within ITP 2 is defined benefit, and the benefit is based on the employee's final salary. Bold Printing Stockholm AB solved its entire pension obligation on December 1, 2019, according to the ITP plan, with Alecta. On the same occassion Dagens Nyheter AB and Kvällstidningen Expressen AB solved the part of the company's pension obligation that was secured by pension foundations, according to the ITP plan, with Alecta. The Group has made a transition into paying Alecta premiums. The resulting effect of the adjustments is included in the line "Past service cost".

The ITP 2 plans are partly funded through foundations and are partly unfunded. The present value of the funded and unfunded obligations, and the present value of the plan assets, are summarized in this note.

The present value of the defined benefit obligation, the related current service costs, and past service costs have been calculated by external actuaries based on the Project Unit Credit Method.

Reported liability for pension obligations

SEK million	Dec. 31, 2019	Dec. 31, 2018
Present value of funded obligations	-	994
Present value of unfunded obligations	2,894	2,177
Total present value of defined pension obligations	**2,894**	**3,170**
Fair value of plan assets	-572	-531
Less advance for pension insurance premiums	-47	-41
Less liabilities for special payroll tax included in other current liabilities[1]	-280	-233
Reported liabilities for pension obligations	**1,995**	**2,365**

[1] Bonnier Group recognizes special payroll tax as an other current liability

Expenses for defined benefit pension plans reported in the profit or loss for the year

SEK million	2019	2018
Current service costs	-5	13
Past service costs	30	-240
Net interest income/expenses	56	66
Total	**81**	**-162**

NOTE 27 **Cont.**

Expenses related to service are recognized as "Personnel costs" in the consolidated income statement. Amounts exclude the costs for the defined benefit pension obligations financed by a policy with Alecta (see below).

Expenses reported in other comprehensive income

SEK million	2019	2018
Revaluations:		
Return on plan assets [1]	58	-24
Actuarial gains and losses arising from changes in demographic assumptions	0	0
Actuarial gains and losses arising from changes in financial assumptions	-414	-252
Actuarial gains and losses arising from experience gains/losses	-32	26
Reported in other comprehensive income, total	**-388**	**-251**

[1] Excluding amounts included in net interest expenses

Changes in obligations for defined benefit pension plans

SEK million	2019	2018
Obligations for defined benefit plans, opening balance	3,170	3,287
Current service costs, incl. special payroll tax	-5	13
Net interest expense	68	80
Past service cost, previous year, and gains/losses from settlement	30	-240
Actuarial gains (-) and losses (+) relating to:		
Changes in demographic assumptions	0	0
Changes in financial assumptions	414	252
Gains/losses based on experience	32	-26
Pension payments, incl. special payroll tax	-125	-139
Pension payments in correlation with settlement	-692	-61
Effects of acquisitions/divestments of companies	-1	-
Exchange rate differences	2	4
Other	0	0
Obligations for defined benefit plans, closing balance	**2,894**	**3,170**

Changes in plan assets' fair value

SEK million	2019	2018
Plan assets' fair value, opening balance	531	569
Net interest income	13	15
Actuarial gains (-) and losses (+) relating to:		
Return on plan assets, excluding amounts included in net interest income	58	-24
Pension payments	-29	-29
Fair value of plan assets, closing balance	**572**	**531**

Plan assets divided by class of assets

	Dec. 31, 2019	Dec. 31, 2018
(%)	Share	Share
Shares[1]	38	39
Interest-bearing securities[2]	50	47
Properties	0	-
Risk capital and hedge funds	11	13
Cash and cash equivalents	1	1
Total	**100**	**100**

[1] Quoted prices in an active market are available for 100% (100) of the share portion.

[2] Quoted prices in an active market are available for 100% (100) of the interest-bearing securities portion.

Assumptions applied in the actuarial calculations

(%)	Dec. 31, 2019	Dec. 31, 2018
Discount rate	1.78	2.62
Future salary growth	3.88	1.79-3.79
Pension growth	1.88	1.79
Mortality assumptions used	DUS14 tjm	DUS14 tjm
Inflation	1.88	1.79

Sensitivity analysis

The table below shows the manner in which possible changes in the actuarial assumptions at period end, with other assumptions unchanged, would affect the defined benefit pension obligations.

SEK million	Dec. 31, 2019	Dec. 31, 2018
Discount rate - increase of 1%	-555	-537
Discount rate - decrease of 1%	739	714
Inflation - increase of 0.5%	357	354
Inflation - decrease of 0.5%	-311	-302

Funding

The weighted average maturity for the defined benefit obligation is 19 years. Expected pension payments for the upcoming year amount to SEK 51 million (94).

Multi-employer defined benefit pension plan - Alecta plan

For white collar workers in Sweden, the defined benefit pension obligation for combined retirement and family pension (or family pension) under ITP 2 is secured through a policy issued by Alecta. According to a statement by the Swedish Financial Reporting Board-UFR 10 Reporting for Pension Scheme ITP 2 that is financed through insurance with Alecta-this is a multi-employer plan.

For the 2019 financial year, the Company did not have access to information needed to report its proportional share of the plan's obligations, managed assets or costs, making it impossible to report the plan as a defined benefit plan. The ITP 2 pension plan that is secured through a policy issued by Alecta is accordingly reported as a defined contribution plan.

The premium for the defined benefit retirement and family pension is individually calculated and is dependent on salary, previously earned pensions and expected remaining working time. The expected premium for the next reporting period for ITP 2 insurance with Alecta amounts to SEK 73 million (102). The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan amounts to 4.1% (0.60) and 0.22% (0.33).

The collective consolidation level is the market value of Alecta's assets as a percentage of the insurance commitments, calculated according to Alecta's actuarial methods and assumptions, which are not consistent with IAS 19. Usually, the collective consolidation level may vary between 125% and 175%.

If Alecta's collective consolidation level is below 125% or above 175%, measures must be taken in order to create conditions for the consolidation level to return to normal. With low consolidation, one measure can be to increase the agreed price for new subscriptions and the expansion of existing benefits. In conjunction with high consolidation, one measure can be to introduce premium reductions. At the end of 2019, Alecta's surplus at the collective consolidation level amounted to 148% (142).

Defined contribution pension plans

The defined contribution pension plans are plans for which the Group has paid premiums to independent organizations which then assume the obligations to the employees. Payments to defined contribution plans are continuous according to the plan rules. Defined contribution pension plans in Sweden are primarily for employees born in 1979 or later who are linked to ITP 1. Pension plans in other countries are primarily defined contribution plans.

SEK million	2019	2018
Expenses for defined contribution pension plans	527	485

The ITP plans financed through Alecta are also included in the defined contribution pension plans reported above.

NOTE 27 **Cont.**

Defined contribution pension pension plans covered by company-owned endowment policies amounted to SEK 112 million (161) at the end of the year. These have been reported net in the statement of financial position.

NOTE 28 **Provisions**

	Restructuring		Other provisions		Total	
SEK million	2019	2018	2019	2018	2019	2018
Opening balance	200	117	197	540	398	658
Provisions during the year	82	208	30	129	111	337
Utilization during the year	-193	-125	-79	-416	-271	-540
Reversals during the year	0	-3	-	-	0	-3
Reclassification	-	-	-	-57	0	-57
Other, incl. acquisitions and divestments of operations	20	1	-3	-	17	1
Translation differences	1	1	1	1	2	2
Closing balance	**110**	**200**	**146**	**197**	**256**	**398**
of which						
Long-term provisions						
Interest-bearing					44	42
Non-interest-bearing					65	59
Short-term provisions						
Interest-bearing					108	193
Non-interest-bearing					39	103
Closing balance					**256**	**398**

NOTE 29 **Non-current liabilities, interest-bearing**

	Contingent considerations		Liabilities attributable to put options in non-controlling interests		Liabilities to associated companies		Total	
SEK million	2019	2018	2019	2018	2019	2018	2019	2018
Opening balance	72	107	61	276	0	-	133	383
Additional	65	6	70	0	15	-	151	6
Settled	-34	-36	-7	-185	-	-	-40	-221
Changes in fair value	-18	-5	0	-43	-	-	-18	-49
Translation differences	1	1	2	13	-	-	3	14
Closing balance	**87**	**72**	**126**	**61**	**15**	**0**	**228**	**133**
Less short-term portion (Note 30)	-27	-10	0	0	-	-	-27	-10
Other non-current liabilities, closing balance	**60**	**62**	**126**	**61**	**15**	**0**	**201**	**123**

Liabilities related to contingent considerations are recognized at fair value, and changes in fair value are recognized in the income statement on line items as "Items related to acquisitions, divestments and close-downs together with amortization/impairment losses of group excess values."
Liabilities attributable to holdings of non-controlling put options are initially recognized at fair value. Changes in fair value are recognized in equity as "Change in value of options attributable to acquisitions of non-controlling interests," except when the liabilities are linked to any wage and salary-related remunerations. Wage and salary-related remunerations are recognized in the income statement on line "Items related to acquisitions, divestments and close-downs together with amortization/impairment losses of group excess values."

NOTE 30 Other current liabilities

SEK million	Dec. 31, 2019	Dec. 31, 2018
Interest-bearing liabilities		
Liabilities to Group companies	1,434	1,490
Liabilities to associated companies	0	48
Contingent considerations and liabilities attributable to put options in non-controlling interests (Note 29)	27	10
Other liabilities	15	-
Carrying amount, interest-bearing	**1,477**	**1,549**

SEK million	Dec. 31, 2019	Dec. 31, 2018
Non-interest-bearing liabilities		
Liabilities to Group companies	63	51
Liabilities to associated companies	37	21
Personnel-related liabilities	222	255
Value added tax	111	201
Other liabilities	455	177
Carrying amount, non-interest-bearing	**887**	**705**

NOTE 31 Accrued expenses and deferred income

SEK million	Dec. 31, 2019	Dec. 31, 2018
Interest-bearing		
Accrued interest expenses	0	22
Carrying amount	**0**	**22**

SEK million	Dec. 31, 2019	Dec. 31, 2018
Non-interest-bearing		
Personnel-related	1,282	1,216
Accrued royalties	469	604
Accrued distribution expenses	101	113
Accrued marketing expenses	64	72
Program rights	3	40
Deferred income	241	328
Other	981	1,039
Carrying amount	**3,141**	**3,413**

NOTE 32 Contract liability

SEK million	Deferred income		Advances from customers		Subscription liabilities	
	2019	2018	2019	2018	2019	2018
Opening balance	**328**	**195**	**72**	**93**	**906**	**898**
Payments from customers	438	356	69	76	3,073	2,030
Revenue recognized	-497	-205	-64	-67	-3,106	-2,051
Acquisition of companies	118	0	-	-	200	5
Divested companies	-109	0	-8	-25	-	-
Reclassifications	-37	3	-	-7	-1	1
Translation differences	0	-21	-	2	0	24
Closing balance	**241**	**328**	**69**	**72**	**1,071**	**906**

NOTE 33 Pledged assets and contingent liabilities

Pledged assets

SEK million	Dec. 31, 2019	Dec. 31, 2018
Other pledged assets	150	19
Total	**150**	**19**

Other pledged assets in 2019 refer to a blocked account in favor of PRI pension.

Contingent liabilities

SEK million	Dec. 31, 2019	Dec. 31, 2018
Guarantee commitments, FPG/PRI	27	37
Guarantee commitments to associated companies	-	1
Guarantees, other	20	54
Total	**47**	**92**

NOTE 34 Cash flow

Adjustments for items in cash flow

SEK million	2019	2018
Depreciation, amortization and impairment losses	1,064	598
Profit or loss from participations in associated companies and joint ventures	123	-21
Capital gains/losses	-21	-55
Impairment losses of goodwill	100	853
Depreciation, amortization and impairment losses of group excess values	12	18
Impairment losses of operations during close-downs	0	112
Acquisition and divestment related items	-17	54
Change in fair value of equity instruments	4	-40
Accrued interest	-6	-11
Translation differences	-314	-407
Dividends from participations in associated companies	24	25
Other	-814	-151
Adjustments for items included in the cash flow	**155**	**1,279**

SEK million	2019	2018
Paid interest	70	110
Received interest	32	22

NOTE 34 **Cont.**

Change in liabilities within financing activities

SEK million		Liabilities to credit institutions 2019	Liabilities to credit institutions 2018	Liabilities to Group companies 2019	Liabilities to Group companies 2018	Liabilities to associated companies 2019	Liabilities to associated companies 2018	Lease liabilities 2019	Lease liabilities 2018	Other current interest-bearing liabilities 2019	Other current interest-bearing liabilities 2018
	Opening balance	**4,171**	**3,545**	**1,490**	**2,874**	**48**	**6**	**-**	**-**	**-**	**-**
	Adjustment for changed accounting policy	-	-	-	-	-	-	2,623	-	-	-
	Adjusted opening balance	**4,171**	**3,545**	**1,490**	**2,874**	**48**	**6**	**2,623**	**0**	**0**	**0**
Cash items	Amortization of debt	-3,637	-1,765	-	-6	-48	-	-676	-	-	-
Cash items	Borrowings	0	2,339	-	0	-	42	-	-	15	-
Cash items	Change in current financing	-	0	-55	-1,379	-	-	-	-	-	-
Non-cash items	Acquired/divested companies	20	10	-	-	-	-	-318	-	-	-
Non-cash items	New lease contracts	-	-	-	-	-	-	401	-	-	-
Non-cash items	Translation differences	17	42	-	-	-	-	5	-	-	-
	Closing balance	**571**	**4,171**	**1,434**	**1,490**	**0**	**48**	**2,036**	**0**	**15**	**0**

NOTE 35 **Transactions with related parties**

Transactions between Bonnier AB and its subsidiaries have been eliminated in the consolidated financial statements and information about these transactions is, therefore, not disclosed in this note. Remuneration to senior executives is disclosed in Note 6.

All transactions with related parties are performed on market conditions.

Income

SEK million	2019	2018
Albert Bonnier AB	1	1
AB Boninvest	0	0
Bonnier Fastigheter AB, incl. subsidiaries	2	2
Bonnier Group AB incl. subsidiaries	4	4
Associated companies	15	34
Joint ventures	8	10
Total	**30**	**50**

Expenses

SEK million	2019	2018
Bonnier Fastigheter AB, incl. subsidiaries	137	136
Bonnier Group AB incl. subsidiaries	24	24
Associated companies	279	435
Total	**440**	**595**

Receivables from related parties

SEK million	Dec. 31, 2019	Dec. 31, 2018
Bonnier Fastigheter AB incl. subsidiaries	190	0
Bonnier Group AB incl. subsidiaries	7	0
Associated companies	90	46
Joint ventures	133	128
Carrying amount	**420**	**174**

Liabilities to related parties

SEK million	Dec. 31, 2019	Dec. 31, 2018
Albert Bonnier AB	10	7
AB Boninvest	45	150
Bonnier Fastigheter AB, incl. subsidiaries	9	2
Bonnier Group AB incl. subsidiaries	1,434	1,383
Associated companies	52	69
Carrying amount	**1,549**	**1,610**

2019 and 2018 income and expenses of Bonnier Broadcasting are not included in the note displaying transactions with related parties.

NOTE 36 **Events after balance sheet date**

MittMedia and the Norwegian Amedia acquired Hall Media on April 7, 2020. Hall Media is a local newspaper group based in Jönköping that owns ten subscribed morning newspaper titles including Jönköpings-Posten, Falköpings Tidning and Smålands Dagblad, as well as free newspapers and news sites in the Småland and Västra Götaland regions. Through the acquisition and coordination of Hall Media, MittMedia further strengthens its position in the local news market. After the transaction, MittMedia will own 51% of Hall Media and Amedia 49%. The company is consolidated from the date of the acquisition. The acquisition analysis is not finalized at the time of the publishing of this report, and a detailed description of the acquisition is not available yet.

For further information on Covid -19's effect on the Group, see "Risks and uncertainties" page 5.

The Parent Company's Income Statements

SEK million

	Note	2019	2018
Net sales	2,3	25	35
Total revenues		**25**	**35**
Other external costs	3,4,5	-279	-372
Personnel costs	6	-132	-157
Depreciation, amortization and impairment losses of intangible assets and property, plant and equipment	12,13	-1	-1
Operating loss		**-387**	**-495**
Profit or loss from shares in Group companies	7	-8,315	-512
Interest income and similar items	8	0	1
Interest expenses and similar items	9	-96	-63
Profit/loss after financial items		**-8,798**	**-1,070**
Appropriations	10	437	538
Profit/loss before tax		**-8,361**	**-532**
Tax	11	-3	0
PROFIT/LOSS FOR THE YEAR		**-8,364**	**-532**

The Parent Company's Statements of Comprehensive Income

SEK million

	2019	2018
Profit/loss for the year	**-8,364**	**-532**
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**-8,364**	**-532**

The Parent Company's Balance Sheets

SEK million

	Note	Dec. 31, 2019	Dec. 31, 2018
ASSETS			
Non-current assets			
Intangible assets			
Other intangible assets	12	-	12
Property, plant and equipment			
Equipment	13	2	3
Financial assets			
Shares in Group companies	14, 24	13,836	19,570
Deferred tax assets	11	33	35
Other long-term receivables	15	-	-
Total non-current assets		**13,871**	**19,620**
Current assets			
Short-term receivables			
Receivables from Group companies		448	1,356
Current tax assets		7	7
Other receivables		157	20
Prepaid expenses and accrued income	16	3	11
Total current assets		**615**	**1,394**
TOTAL ASSETS		**14,486**	**21,014**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		300	300
Statutory reserves		92	92
		392	**392**
Non-restricted equity			
Retained earnings		17,394	17,926
Profit/loss for the year		-8,364	-532
		9,031	**17,394**
Total equity		**9,422**	**17,786**
Untaxed reserves		**0**	**0**
Provisions			
Provisions for pensions and similar obligations	17	149	180
Other provisions	18	24	77
Total provisions		**173**	**256**
Non-current liabilities			
Liabilities to credit institutions	19	-	-
Total non-current liabilities		**0**	**0**
Current liabilities			
Liabilities to credit institutions			-
Account payables		11	35
Liabilities to Group companies		4,696	2,844
Current tax liabilities		0	0
Other liabilities		8	9
Accrued expenses and deferred income	20	175	83
Total current liabilities	19	**4,891**	**2,972**
TOTAL EQUITY AND LIABILITIES		**14,486**	**21,014**

The Parent Company's Statements of Change in Equity

SEK million

	Restricted equity		Non-restricted equity		
	Share capital	Statutory reserves	Retained earnings	Profit/loss for the year	Total equity
Opening balance, Jan. 1, 2018	**300**	**92**	**17,192**	**-266**	**17,318**
Comprehensive income					
Profit/loss for the year[1)]				-532	-532
Total comprehensive income				**-532**	**-532**
Appropriation of profit			-266	266	0
Transactions with shareholders					
Shareholders' contributions received			1,000		1,000
Total transactions with shareholders			**1,000**		**1,000**
Closing balance, Dec. 31, 2018	**300**	**92**	**17,926**	**-532**	**17,786**
Opening balance, Jan. 1, 2019	**300**	**92**	**17,926**	**-532**	**17,786**
Comprehensive income					
Profit/loss for the year[1)]				-8,364	-8,364
Total comprehensive income				**-8,364**	**-8,364**
Appropriation of profit			-532	532	0
Transactions with shareholders					
Shareholders' contributions received			-		0
Total transactions with shareholders			**0**		**0**
Closing balance, Dec. 31, 2019	**300**	**92**	**17,394**	**-8,364**	**9,422**

[1)] Profit/loss for the year corresponds with comprehensive income.

The Parent Company's Cash Flow Statement

SEK million

	Note	2019	2018
Operating activities			
Profit/loss after financial items		-8,798	-1,070
Adjustments for items in cash flow	22	8,236	610
Paid income tax		-	-
Cash flow from operating activities before change in working capital		**-562**	**-460**
Change in other short-term receivables		822	-429
Change in account payables		-24	-15
Change in other current liabilities		59	-13
Cash flow from operating activities		**294**	**-917**
Investing activities			
Divestments of shares in subsidiaries		-	10
Acquisition and sales of non-current assets		-	-13
ShareholderS contribution provided		-2,662	-451
Amortization received		-	-
Cash flow from investing activities		**-2,662**	**-454**
Financing activities			
Proceeds from borrowings		1,830	715
Amortization of debt		-	-750
Dividends		-	-
Shareholders contribution received		-	1,000
Group contributions		538	406
Cash flow from financing activities		**2,368**	**1,371**
CASH FLOW FOR THE YEAR		**0**	**0**
Cash and cash equivalents at the beginning of the year		**-**	-
Cash and cash equivalents at the end of the year		**-**	-

Additional information to cash flow statement	**2019**	**2018**
Dividends received	-	-
Interest received	0	0
Paid interest	59	56

Notes to the Parent Company's Financial Statements

NOTE 1 Accounting policies

The Annual Accounts Act and RFR 2 Accounting for Legal Entities has been applied for the Parent Company. The accounting policies have not changed in comparison with the previous year.

Classification and layout
The Parent Company's income statement and balance sheet are presented in accordance with the Swedish Annual Accounts Act's schedule. The difference compared to IAS 1 Presentation of Financial Statements mainly refers to the presentation of financial income and expenses, non-current assets, equity and provisions as a separate heading.

Subsidiaries
Shares in subsidiaries are accounted for at cost in the Parent Company's financial statement. Acquisition-related costs for subsidiaries which are expensed in the consolidated financial statements are included as a part of the cost of shares in subsidiaries.

Group contributions
Group contributions are recognized according to the alternative rule which implies that both received and paid group contributions are recognized as an appropriation.

Pensions
The Parent Company follows the Pension Obligations Vesting Act since it is a prerequisite for tax deductibility. RFR 2's simplification rules for accounting of defined benefit plans apply.

Lease agreements
All lease agreements are recognized in accordance with the rules for operating lease agreements.

Share capital
For more information regarding share capital see Group Note 25, Equity.

New and revised standards and interpretations that are not yet effective and have not been adopted early by the Parent Company
It is assessed that the RFR 2 – IFRS 16 regulations had no effect on the accounting of leases, with respect to leases that could be expensed on a straight-line basis over the leasing period, due to the current tax rules.

Other new and revised IFRS and interpretations not yet effective are not expected to have any significant impact on the Parent Company's financial statements.

NOTE 2 Net sales

Net sales by geographic market

SEK million	2019	2018
Sweden	24	30
Other countries	1	5
Total	**25**	**35**

NOTE 3 Purchases and sales within the same Group

	2019	2018
Purchases	29.5%	25.2%
Sales	96.2%	95.9%

NOTE 4 Lease agreements

Lessee
Operational lease agreements costs for the year

SEK million	2019	2018
Minimum lease fees	9	10
Total	**9**	**10**

The lease agreements mainly refer to the rental of premises.

On the balance sheet date, outstanding commitments in the form of minimum lease payments in accordance with non-terminable operating leases had the following terms to maturity:

SEK million	2019	2018
Within 1 year	1	8
Between 1-5 years	1	86
More than 5 years	0	73
Total	**2**	**166**

NOTE 5 Fees to auditors

SEK million	2019	2018
PricewaterhouseCoopers AB		
Audit assignment	1	4
Audit-related activities in addition to audit assignment	-	0
Other fees	3	4
Total	**4**	**8**

NOTE 6 Personnel

Wages and salaries, other remuneration and social security costs

SEK million	2019	2018
Wages, salaries and remuneration	56	96
Social security costs	17	28
Special payroll tax and tax return on pension	5	8
Pension costs	18	23
Total	**97**	**154**

Personnel costs include provision of SEK 24 million (38) for restructuring costs.

See Group Note 6 for more information regarding average number of employees, salaries and remuneration and gender distribution of the Board of Directors and senior management.

NOTE 7 Profit or loss from shares in Group companies

SEK million	2019	2018
Subsidiaries		
Impairment losses	-8,315	-522
Profit or loss on divestment of shares in Group companies	-	10
Total	**-8,315**	**-512**

NOTE 8 Interest income and similar items

SEK million	2019	2018
Interest income, Group companies	-	-
Other interest income	0	0
Exchange rate differences	0	1
Total	**0**	**1**

NOTE 9 **Interest expenses and similar items**

SEK million	2019	2018
Interest expenses, Group companies	-59	-53
Other interest expenses	-7	-10
Other financial expenses	-30	-
Total	**-96**	**-63**

Interest expenses refers to items that are not recognized at fair value through income statement.

NOTE 10 **Appropriations**

SEK million	2019	2018
Group contributions received	436	538
Change in excess depreciation	0	-
Total	**437**	**538**

NOTE 11 **Tax**

SEK million	2019	2018
Current tax		
Current tax on profit or loss for the year	-	0
Adjustment for previous years	-	0
Total current tax	**-**	0
Deferred tax		
Deferred tax attributable to temporary differences	-1	1
Deferred tax on tax loss carry-forwards	-	2
Deferred tax on this year's unutilized tax loss carry forward	-2	-
Deferred tax relating to change in tax rate	-	-2
Total deferred tax	**-3**	**0**
Total tax	**-3**	**0**

Reconciliation of effective tax

SEK million	2019	2018
Profit/loss before tax	-8,361	-532
Income tax calculated according to the Swedish tax rate (22%)	1,789	117
Tax effect of:		
-Non-deductible expenses	-1,780	-117
-Non-taxable income	0	2
Tax relating to income recognized in previous years	-	0
Effect of change in tax rate	-	-2
Effect of transferred/received interest deductions	-13	-
Tax expenses for the year	**-3**	**0**

Deferred tax assets

SEK million	Dec. 31, 2019	Dec. 31, 2018
Provisions	32	34
Tax loss carry-forwards	0	2
Total	**33**	**35**

NOTE 12 **Other intangible assets**

SEK million	2019	2018
Cost		
Opening balance	12	1
Investments	-	12
Sales and disposals	-12	-
Closing balance	**0**	**12**
Amortization		
Opening balance	-1	-1
Amortization for the year	-	-
Closing balance	**-1**	**-1**
Carrying amount, Dec. 31	**0**	**12**

NOTE 13 **Equipment**

SEK million	2019	2018
Cost		
Opening balance	17	16
Investments	-	1
Sales and disposals	-7	-
Closing balance	**10**	**17**
Depreciation		
Opening balance	-14	-13
Sales and disposals	7	-
Depreciation for the year	-1	-1
Closing balance	**-7**	**-14**
Carrying amount, Dec. 31	**2**	**3**

NOTE 14 **Shares in Group companies**

SEK million	2019	2018
Cost		
Opening balance	20,855	20,333
Shareholders' contribution provided	2,581	522
Closing balance	**23 436**	**20,855**
Impairment		
Opening balance	-1,285	-763
Impairment for the year	-8,315	-522
Closing balance	**-9,600**	**-1,285**
Carrying amount, Dec. 31	**13,836**	**19,570**

For more information, see Note 24, Group companies.

NOTE 15 **Other long-term receivables**

SEK million	2019	2018
Cost		
Opening balance	-	28
Reclassification	-	-28
Closing balance	**-**	**0**
Carrying amount, Dec. 31	**-**	**0**

NOTE 16 **Prepaid expenses and accrued income**

SEK million	Dec. 31, 2019	Dec. 31, 2018
Prepaid rents	0	2
Accrued interest income	-	0
Other	3	9
Carrying amount, Dec. 31	**3**	**11**

NOTE 17 **Provisions for pensions and similar obligations**

SEK million	Dec. 31, 2019	Dec. 31, 2018
PRI pensions	38	58
Other pensions	111	121
Carrying amount, Dec. 31	**149**	**180**

Changes in obligations for defined benefit pension plans

SEK million	2019	2018
Obligations for defined benefit plans, opening balance	180	178
Cost for duty in current year	4	2
Cost for duty in previous years	-29	-
Net interest expense	7	7
Pension payments	-13	-7
Carrying amount, Dec. 31	**149**	**180**

Defined-contribution pension plans covered by Company-owned endowment insurance policies totaled SEK 37 million (34) at year-end. As of 2019, these have been recognized net on the balance sheet.

For more information regarding pensions, see Note 6, Personnel and Note 27, Pensions in the Group.

NOTE 18 **Provisions**

	Restructuring		Other Provisions		Total	
SEK million	2019	2018	2019	2018	2019	2018
Opening balance	66	0	10	37	77	37
Provisions during the year	2	66	2	1	4	68
Utilized during the year	-57	-	-	-	-57	-
Reclassification	-	-	-	-28	0	-28
Closing balance	**12**	**66**	**12**	**10**	**24**	**77**
of which:						
Long-term provisions						
Interest-bearing					3	2
Non-interest-bearing					9	8
Short-term provisions						
Interest-bearing					-	-
Non-interest-bearing					12	66
Closing balance					**24**	**77**

NOTE 19 Maturity structure of financial liabilities

Maturity structure of financial liabilities Dec. 31, 2019

SEK million	Within 3 months	3-12 months	1-5 years	More than 5 years	Total
Liabilities to credit institutions	-	-	-	-	-
Liabilities to Group companies	4,705	-	-	-	4,705
Account payables	11	-	-	-	11
Total	**4,717**	**0**	**0**	**0**	**4,717**

Maturity structure of financial liabilities Dec. 31, 2018

SEK million	Within 3 months	3-12 months	1-5 years	More than 5 years	Total
Liabilities to credit institutions	-	-	-	-	-
Liabilities to Group companies	2,850	-	-	-	2,850
Account payables	35	-	-	-	35
Total	**2,885**	**-**	**-**	**-**	**2,885**

For risk and information on fair value, see Note 4 for the Group.

NOTE 20 Accrued expenses and deferred income

SEK million	Dec. 31, 2019	Dec. 31, 2018
Vacation pay liability	9	12
Accrued salaries and social security cost	37	15
Accrued interest expenses from Group companies	41	48
Other	89	9
Carrying amount	**175**	**83**

NOTE 21 Pledged assets and contingent liabilities

Pledged assets

SEK million	Dec. 31, 2019	Dec. 31, 2018
Endowment insurance	-	-
Total	**-**	**-**

Contingent liabilities

SEK million	Dec. 31, 2019	Dec. 31, 2018
Guarantee commitments to subsidiaries	623	6,918
Guarantee commitments, FPG/PRI	1	4
Contingent liabilities, other	150	31
Total	**774**	**6,953**

NOTE 22 Cash flow

Adjustments for items in cash flow

SEK million	2019	2018
Depreciation, amortization and impairment losses of assets	8,328	513
Provision for restructuring	-55	66
Accrued interests	-7	29
Other	-31	1
Adjustments for items not included in cash flow	**8,236**	**610**

Change in liabilities within financing activities

		Liabilities to credit institutions		Liabilities to Group companies	
SEK million		2019	2018	2019	2018
	Opening balance	0	750	2,750	2,035
Cash items	Amortization of debt	-	-750	-750	-
	New borrowings	-	-	2,580	715
Non-cash items	Translation differences	-	-	-	-
	Closing balance	**0**	**0**	**4,580**	**2,750**

NOTE 23 Transactions with related parties

Sales of goods and services

SEK million	2019	2018
Albert Bonnier AB Group	4	2
Subsidiaries in the Group	20	31
Total	**23**	**33**

Purchases of goods and services

SEK million	2019	2018
Albert Bonnier AB Group	34	31
Subsidiaries in the Group	45	83
Total	**79**	**114**

Receivables from related parties

SEK million	Dec. 31, 2019	Dec. 31, 2018
Albert Bonnier AB Group	0	-
Subsidiaries in the Group	338	1,356
Carrying amount	**338**	**1,356**

Liabilities to related parties

SEK million	Dec. 31, 2019	Dec. 31, 2018
Albert Bonnier AB Group	2	-
Subsidiaries in the Group	4,625	2,809
Carrying amount	**4,626**	**2,809**

All transactions with related parties are performed on market terms and conditions.

Remuneration to senior executives is presented in Group Note 6.

NOTE 24 **Group companies**

	Company	Corp. Reg. No.	Reg. Office	Holdings, %	Number of shares	Dec. 31, 2019 Carrying amount, SEK million	Dec. 31, 2018 Carrying amount, SEK million
1.	**Bonnier Finans, AB**	**556026-9549**	**Stockholm**	**100**	**1,000,000**	**6,290**	**6,290**
	Bonnier Treasury S.à r.l.	B 57013	Luxembourg	100			
2.	**Bonnier Media Holding AB**	**556655-4555**	**Stockholm**	**100**	**1,200**	**7,546**	**13,280**
	Adlibris AB	556261-3512	Stockholm	100			
	AdLibris Finland Oy	0195663-7	Helsinki	100			
	Adlibris Kök AB	559017-7589	Stockholm	100			
	Bamba AB	556801-7635	Stockholm	100			
	Discshop Svenska Näthandel AB	556604-9952	Stockholm	100			
	Discshop Alandia Ab	1932506-7	Mariehamn	100			
	Makujakauppa Oy	2840501-8	Helsinki	100			
	Mediafy AB	556619-8205	Stockholm	100			
	Mediafy Magazines AS	992305134	Oslo	100			
	Mediafy Magazines Oy	2317923-4	Helsinki	100			
	Odlanu i Sverige AB	556725-9493	Stockholm	100			
	Bink AB	556166-2023	Stockholm	100			
	Bonnier Books Holding AB	556233-3111	Stockholm	100			
	Bonnier Books AB	559080-9090	Stockholm	100			
	Bonnier Books Kauppa Suomi Oy	2699781-4	Helsinki	100			
	Bonnier Books Polska Sp. z o.o.	KRS 0000565742	Warsaw	100			
	Wydawnictwo Jaguar Sp. z o.o.	KRS 0000627127	Warsaw	70 [1)]			
	Wydawnictwo Marginesy Sp. z o.o.	KRS 0000416091	Warsaw	51			
	Bonnier Books UK Group Holdings Limited	01273558	London	100			
	Blink Publishing Limited	07724898	London	100			
	Bonnier Books UK Limited	01549157	London	100			
	John Blake Publishing Limited	03919495	London	100			
	Bonnier Media Limited	05311887	London	100			
	Bonnier Publishing Australia Pty Ltd.	005966245	Melbourne	100			
	Bonnier Zaffre Limited	07735953	London	100			
	Igloo Books Group Holdings Limited	07435642	Sywell	100			
	Igloo Holdings Limited	06454887	Sywell	100			
	Igloo Books Limited	04845098	Sywell	100			
	Red Kite Fulfilment Limited	09142201	Sywell	100			
	Weldon Owen Limited	07891331	London	100			
	Bonnier Holding Norway AS	990212880	Oslo	100			
	Bonnierförlagen AB	556023-8445	Stockholm	100			
	Albert Bonniers Förlag AB	556203-3752	Stockholm	100			
	Bokförlaget Maxström AB	556526-8918	Stockholm	100			
	Romanus & Selling AB	559214-2425	Stockholm	67			
	BookBeat AB	556560-4583	Stockholm	100			
	BookBeat Oy	1655221-3	Helsinki	100			
	Chapter 3 Culture (Beijing) Co. Ltd	91110108MA00964G9E	Beijing	100			
	Homeenter AB	556293-3381	Stockholm	100			
	Jultidningsförlaget Semic AB	556166-9572	Sundbyberg	100			
	Pandaförsäljningen AB	556369-7720	Stockholm	100			
	Pocket Shop AB	556479-4609	Stockholm	100			
	Pocket Shop GmbH	HRB 109043 B	Berlin	100			
	Pocket Shop Loves Booooks Ltd.	10062282	London	100			
	SEMIC International AB	556046-1336	Stockholm	100			
	Werner Söderström Osakeyhtiö	0599340-0	Helsinki	100			
	Bazar Kustannus Oy Ab	1768366-1	Helsinki	100			
	Readme.fi Oy	2160350-5	Helsinki	100			
	Bonnier Deutschland GmbH	HRB 156443	Munich	100			
	Bonnier Media Deutschland GmbH	HRB 136800	Munich	100			
	Aladin Verlag GmbH	HRB 103563	Hamburg	100			
	arsEdition GmbH	HRB 145362	Munich	100			
	BookBeat GmbH	HRB 199466	Munich	100			
	Buch Vertrieb Blank GmbH	HRB 92253	Vierkirchen	100			
	Carlsen Verlag GmbH	HRB 43092	Hamburg	100			

NOTE 24 **Cont.**

Company	Corp. Reg. No.	Reg. Office	Holdings, %	Number of shares	Dec. 31, 2019 Carrying amount, SEK million	Dec. 31, 2018 Carrying amount, SEK million
Nelson Verlag GmbH	HRB 113971	Hamburg	100			
Hörbuch Hamburg HHV GmbH	HRB 142856	Hamburg	100			
Münchner Verlagsgruppe GmbH	HRB 118729	Munich	100			
Piper Verlag GmbH	HRB 71118	Munich	100			
Readers First GmbH	HRB 199468	Munich	100			
Thienemann-Esslinger Verlag GmbH	HRB 3287	Stuttgart	70 [1)]			
Ullstein Buchverlage GmbH	HRB 91717 B	Berlin	100			
Gesinform GmbH	HRB 713116	Freiburg	100			
Bonnier Entertainment AB	556047-0667	Stockholm	100			
Evoke Gaming Holding AB	556096-9411	Stockholm	100			
Svensk Filmindustri, AB	556003-5213	Stockholm	94 [1)]			
SF Anytime AB	556748-2616	Stockholm	100			
SF Film Finland Oy	1571957-9	Helsinki	100			
SF Norge AS	947714732	Oslo	100			
Paradox Holding AS	980184234	Oslo	100			
Paradox Film 1 AS	998068290	Oslo	100			
Paradox Film 2 AS	998092701	Oslo	100			
Paradox Film 3 AS	998092566	Oslo	100			
Paradox Film 4 - Knerten AS	916102372	Oslo	100			
Paradox Film 5 - Knerten AS	918753702	Oslo	100			
Paradox Film 7 AS	918054421	Oslo	100			
Paradox Film 8 AS	921684711	Oslo	100			
Paradox Rettigheter AS	980523691	Oslo	100			
PDX Production Services AS	990889279	Oslo	100			
SF Securities AB	559062-1024	Stockholm	100			
SF Studios Production AB	556600-3397	Stockholm	100			
SF Studios Production Limited	11711231	London	100			
SF Studios (Horizon Line) Limited	11711239	London	100			
Stockholm Showrunners Holding AB	556905-7911	Stockholm	69 [1)]			
FLX Feature AB	559153-7153	Stockholm	100			
FLX International AB	559124-2887	Stockholm	100			
FLX TV AB	556703-5901	Stockholm	100			
FLX tvåpunktnoll AB	556735-4864	Stockholm	100			
Bonnier Euro Holding AB	556725-8644	Stockholm	100			
Bonnier Financial Services AB	556067-9887	Stockholm	100			
adlibris.com AS	990335214	Oslo	100			
Bonnier Magazine Group A/S	53376614	Copenhagen	100			
Bonnier Magazine Data A/S	26340136	Copenhagen	100			
Bonnier Publications A/S	12376405	Copenhagen	100			
Allt om Historia AB	556745-4722	Malmö	100			
Benjamin Media A/S	25796829	Copenhagen	100			
Bonnier Publications AB	556105-0351	Stockholm	100			
Bonnier Publications Försäljning AB	556548-7096	Stockholm	100			
Svenska Lotteribolaget AB	559111-6172	Stockholm	100			
Bonnier Publications International AS	977041066	Oslo	100			
Dagbladet Børsen A/S	76156328	Copenhagen	50			
Dagens Medicin A/S	20052678	Copenhagen	50			
Bonnier News Sweden AB	559174-2688	Stockholm	100			
Bonnier US AB	556262-5052	Stockholm	100			
Spring Media Inc.	20-4505209	Delaware	100			
Bonnier Books UK, Inc	83-4299762	New York	100			
Bonnier Growth Investments, Inc.	82-1826148	Delaware	100			
Bonnier US Holding Inc.	98-0494191	Delaware	100			
Bonnier Corporation	98-0522510	Delaware	100			
National Mud Racing Organization, Inc.	35-2138012	Indiana	100			
World Entertainment Services, LLC	59-3754946	Delaware	100			
World Publications, LLC	59-3754954	Delaware	100			

NOTE 24 **Cont.**

Company	Corp. Reg. No.	Reg. Office	Holdings, %	Number of shares	Dec. 31, 2019 Carrying amount, SEK million	Dec. 31, 2018 Carrying amount, SEK million
Bonnier Ventures AB	556707-0007	Stockholm	100			
RAG Real Agency Group AB	556630-6808	Stockholm	93			
Keep In Touch Media Sverige AB	559136-6108	Stockholm	100			
Oh My Interactive AB	556708-6433	Piteå	100			
TDWT Solutions AB	559158-7869	Stockholm	70			
Trickle AB	559163-3465	Piteå	85			
Trickle Göteborg AB	559224-0849	Gothenburg	85			
Spoon Marketing Tech AB	556206-2868	Stockholm	100			
Spoon Publishing AB	556561-8989	Stockholm	100			
Spoon AS	989389874	Oslo	100			
Spoon On Demand AB	556444-7489	Stockholm	100			
Spoon Publishing Oy	2590289-5	Helsinki	100			
RAG Real Agency Group Incentives AB	559228-9457	Stockholm	100			
Tailsweep AB	556712-7146	Stockholm	100			
Pressens Bild Images AB	556005-5104	Stockholm	100			
SF Film A/S	21388939	Copenhagen	100			
SF Studios Production ApS	26390168	Copenhagen	100			
Sural AB	556158-9531	Stockholm	100			
Bonnier Digital Services AB	556496-0630	Stockholm	100			
Bonnier International Magazines AB	556072-0293	Stockholm	100			
Bonnier Solutions AB	556748-2624	Stockholm	100			
Bonsoc AB	559140-6383	Stockholm	100			
Tidnings AB Marieberg	556002-8796	Stockholm	100			
Bold Printing Group AB	556312-2554	Stockholm	100			
Bold Printing Stockholm AB	556246-8180	Stockholm	100			
Bonnier Business Press AB	556490-1832	Stockholm	100			
BF Blogform Social Media GmbH	HRB 105467 B	Berlin	51			
Bonnier Business (Polska) Sp. z o.o.	KRS 0000024847	Warsaw	100			
Prawomaniacy Sp. z o.o.	KRS 0000349059	Olsztyn	100			
Bonnier Business Forum Oy	1878245-0	Helsinki	100			
Bonnier Business Media Sales AB	556972-1060	Norrköping	100			
Bonnier Business Media Sweden AB	556468-8892	Stockholm	100			
Dagens Media Sverige AB	556558-6301	Stockholm	100			
Bonnier Healthcare Sweden AB	556615-8472	Stockholm	100			
Bonnier Pharma Insights AB	559019-8130	Stockholm	100			
Časnik Finance, d.o o.	1353942000	Ljubljana	100			
Business Media Croatia d.o.o.	80143339	Zagreb	60 [1]			
Business Media d.o.o.	3364127000	Ljubljana	60 [1]			
Clio Aps	30583795	Copenhagen	100			
Bonnier Education AB	559007-4802	Stockholm	100			
Dagens Industri AB	556221-8494	Stockholm	100			
Dagens Medisin AS	979914253	Oslo	100			
Editora Paulista de Comunicacões Científicas e Técnicas Ltda	CNPJ 08.528.247	Saõ Paolo	100			
Lexnet UAB	300518138	Vilnius	81			
Medibas AB	556617-5518	Stockholm	87 [1,2]			
Medicine Today Poland Sp. z o.o.	KRS 0000099422	Warsaw	100			
Netdoktor Media A/S	28686137	Copenhagen	100			
Norsk Helseinformatikk AS	976516397	Trondheim	73 [1]			
Verslo Žinios, UAB	110682810	Vilnius	73			
Äripäev, AS	10145981	Tallinn	100			
Bonnier Magazines & Brands AB	556012-7713	Stockholm	100			
Bonnier Annons AB	556458-9124	Stockholm	100			
Bonnier Antik & Livsstil AB	556556-2658	Stockholm	100			
Bonnier News AB	559080-0917	Stockholm	100			
Bonnier News Group AB	556414-2155	Stockholm	100			
Happy Green AB	559070-1669	Stockholm	93			
NextSolution Sweden AB	556880-3703	Malmö	100			

NOTE 24 Cont.

	Company	Corp. Reg. No.	Reg. Office	Holdings, %	Number of shares	Dec. 31, 2019 Carrying amount, SEK million	Dec. 31, 2018 Carrying amount, SEK million
	Svenska Patientpoolen AB	559056-0990	Stockholm	100			
	Citypaketet Sweden AB	556621-8300	Stockholm	67 [3]			
	Citypaketet KB	969711-9817	Stockholm	67 [3]			
	Dagens Nyheter, AB	556246-8172	Stockholm	100			
	Dagens Samhälle AB	556176-4613	Stockholm	100			
	Dagens Samhälle Insikt AB	559122-5486	Stockholm	100			
	Fakturino Sverige AB	556871-3019	Stockholm	100			
	Fakturino AS	998930340	Oslo	100			
	Fastighetsnytt Förlags AB	556326-8837	Stockholm	100			
	Kvällstidningen Expressen, AB	556025-4525	Stockholm	100			
	GT/Gothenburgs-Tidningen AB	556284-8720	Gothenburg	100			
	Kvällsposten AB	556051-3599	Malmö	100			
	Wasp Communication AB	556918-4798	Stockholm	100			
	Marieberg Media AB	556334-7953	Stockholm	100			
	MittMedia AB	556004-1815	Stockholm	80			
	Industrilandet KB	969725-3632	Gävle	63			
	Media Intressenterna Sundsvall/Härnösand KB	969600-0406	Sundsvall	80			
	Media Sverige Publicering AB	556992-5703	Gävle	100			
	Mediabärarna i Dalarna AB	556494-3859	Falun	100			
	MittMedia Annons AB	556051-3946	Gävle	100			
	MittMedia Fastigheter i Falun AB	556736-1380	Falun	100			
	MittMedia Fastigheter i Hälsingland AB	556256-3147	Hudiksvall	100			
	MittMedia Fastigheter i Östersund AB	556001-7047	Östersund	100			
	MittMedia Kompetens AB	556922-4115	Gävle	100			
	MittMedia Print AB	556684-5219	Gävle	100			
	MittMedia Tryckerifastigheter i Birsta AB	556735-9830	Sundsvall	100			
	MittMedia Tryckerifastigheter i Torvalla AB	556329-5061	Östersund	100			
	Norrländsk Tidningsutdelning AB	556156-4088	Sundsvall	75			
	Norrländsk Tidningsutdelning KB	969708-8954	Sundsvall	50			
	Nya Dala-Demokraten, AB	556249-1075	Gävle	100			
	Nya Länstidningen i Östersund, AB	556689-8580	Östersund	96			
	Prolog KB	969706-0367	Västerås	60			
	Prolog Tidningsdistribution och Logistik AB	556177-9181	Västerås	60			
	Radio Hudiksvall KB	969609-3013	Hudiksvall	50			
	Radio Ö-vik KB	969610-3044	Örnsköldsvik	100			
	Rix Gävle/Sandviken KB	916952-4247	Gävle	100			
	Sundsvalls Posten AB	556000-0068	Sundsvall	100			
	Nobicon Nordic AB	556426-9461	Umeå	100			
	Sydsvenska Dagbladets AB	556002-7608	Malmö	97			
	Bold Printing Malmö AB	556256-4038	Malmö	100			
	Hela Skåne AB	556701-4922	Malmö	100			
	Helsingborgs Dagblad AB	556008-4799	Helsingborg	100			
	Kompetens i Skåne AB	556754-8796	Malmö	100			
	Lokaltidningen Mediacenter Sverige AB	556620-9622	Burlöv	100			
	Nim Distribution i Skåne AB	559111-0993	Malmö	100			
	Sydsvenska Dagbladets Försäljningsaktiebolag	556335-2722	Malmö	100			
	Tidningen Hallå AB	556933-5762	Helsingborg	100			
	Tidningen Byggindustrin AB	556096-1319	Stockholm	100			
3.	**Investeringshuset i Stockholm AB**	**556102-7169**	**Stockholm**	**100**	**4,840**	**0**	**0**
	Carrying amount					**13,836**	**19,570**

1) Bonnier AB Group has entered into an option agreement for the remaining shares, which means that Bonnier AB Group, in practice, assumes the financial benefits and risks for 100% of the shares. Accordingly, no part of the holdings refers to non-controlling interests.

2) Owned 50% by Bonnier Business Press AB and 50% by Norsk Helseinformatikk AS.

3) Owned 33.3% by AB Dagens Nyheter and 33.3% by Sydsvenska Dagbladets AB.

Definition of key ratios

EBITA
Operating profit or loss (including associated companies and joint ventures) before items related to acquisitions, divestments and close-downs together with amortization/impairment losses of group excess values.

EBITA margin
EBITA as a percentage of net sales.

Operating capital
Total assets less non-interest-bearing liabilities and interest-bearing assets.

Net debt/equity ratio (gearing)
Interest-bearing liabilities less interest-bearing assets divided by total equity (i.e., including non-controlling interests).

Return on operating capital
Operating profit or loss as a percentage of the average total assets, less non-interest-bearing liabilities, and less interest-bearing assets.

Operating margin
Operating profit as a percentage of net sales.

Equity/assets ratio
Equity including non-controlling interests divided by total assets.

Internally generated funds
EBITA, excluding depreciation, amortization and impairment losses, earnings from associated companies and joint ventures, and capital gain from intangible assets and property, plant and equipment, with the addition of dividends received from associated companies and joint ventures, net financial items (excluding items not included in cash flow) and taxes paid.

The Annual Report and consolidated financial statements were approved for issue by the Board of Directors on April 24, 2020. The Consolidated Income Statement and Statement of Financial Position, and the Parent Company's Income Statement and Balance Sheet are subject to approval by the Annual General Meeting on May 18, 2020.

The Board of Directors and CEO hereby certify that the annual report has been prepared according to the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities and provides a true and fair view of the Company's financial position and results, and that the Board of Directors' Report gives a true and fair view of the progress of the Company's operations, financial position and results, and describes significant risks and uncertainties facing the Company. The Board of Directors and CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair picture of the Group's position and results, and that the Board of Directors' Report for the Group provides a true and fair view of the progress of the Group's operations, position and results, and describes significant risks and uncertainties which the companies included in the Group may face.

Stockholm, April 24, 2020

Bengt Braun
Chairman

Åsa Wirén
Board member

Göran Öhrn
Board member

Erik Haegerstrand
Chief executive officer

Our audit report was issued on April 27, 2020

PricewaterhouseCoopers AB

Michael Bengtsson
Authorized public accountant

Auditor’s Report

Unofficial translation

To the general meeting of the shareholders of Bonnier AB, corporate identity number 556508-3663

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Bonnier AB for the year 2019 except for the statutory sustainability report on pages 5-8.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2019 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the statutory sustainability report on pages 5-8. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 5-8.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company’s and the group’s ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of the company’s internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Director’s and the Managing Director.

• Conclude on the appropriateness of the Board of Director’s and the Managing Director’s use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company’s and the group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Bonnier AB for the year 2019 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director
The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

• has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

• in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

The auditor's opinion regarding the statutory sustainability report
The Board of Directors is responsible for the statutory sustainability report on pages 5–8, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor´s opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A sustainability report has been prepared.

Stockholm April 27, 2020

PricewaterhouseCoopers AB

Michael Bengtsson
Authorized Public Accountant

Multi-year Summary

From the income statement [4]

SEK million	2019	2018	2017	2016	2015	2014	2013	2012
Net sales	20,227	18,307	25,740	25,492	25,906	23,702	24,354	26,931
Growth	10.5%	n/a	1.0%	-1.6%	9.3%	-2.7%	-9.6%	-2.4%
EBITA	9	-410	625	731	1,008	1,103	1,172	918
EBITA margin	0.0%	-2.2%	2.4%	2.9%	3.9%	4.7%	4.8%	3.4%
Operating profit/loss	-83	-1,439	-1,423	630 [3]	939	892	2,888	802
Operating margin	-0.4%	-7.9%	-5.5%	2.5% [3]	3.6%	3.8%	11.9%	3.0%
Profit/loss before tax	-132	-1,597	-1,635	391 [3]	709	527	2,591	500
Profit/loss for the year	2,813	-872	-2,239	276 [3]	43	310	2,204	289

From the statements of financial position

December 31, SEK million	2019	2018	2017	2016	2015	2014	2013	2012
Operating capital	6,283	11,393	12,473	13,292 [3]	12,924	12,002	13,554	13,833
Return on operating capital	37.3%	-1.9%	-11.0%	4.8% [3]	7.5%	7.0%	21.1%	5.9%
Net debt	776	7,743	8,553	7,376	6,613	5,395	6,526	9,271
Equity incl. non-controlling interests	5,507	3,650	3,921	5,916 [3]	6,311	6,607	7,028	4,562
Total assets	19,007	20,025	21,312	22,548 [3]	22,560	21,624	21,166	22,281
Net debt / equity, multiple	0.14	2.12	2.18	1.25 [3]	1.05	0.82	0.93	2.03

From the business areas' financial reports

SEK million [1, 2]	2019	2018	2017	2016	2015
Net sales					
Bonnier Books	5,770	5,522	6,274	6,064	5,621
Adlibris	2,282	2,341	2,103	1,855	1 560
Bonnier Broadcasting	-	-	7,497	7,397	7 738
SF Studios	1,899	1,256	1,389	1,334	1 521
Bonnier Ventures	386	358	402	457	621
Bonnier Publications	1,208	1,328	1,334	1,387	1 501
Bonnier Corporation	1,197	989	1,207	1,456	1 578
Bonnier News	7,579	6,713	6,853	6,648	6 903
Other and eliminations	-93	-200	-1,317	-1,107	-1 138
Bonnier AB, total	**20,227**	**18,307**	**25,740**	**25,492**	**25,906**

SEK million [1, 2]	2019	2018	2017	2016	2015
EBITA					
Bonnier Books	250	148	73	379	405
Adlibris	-217	-116	40	54	25
Bonnier Broadcasting			423	373	417
SF Studios	36	17	-14	-29	6
Bonnier Ventures	-6	-18	-93	-175	-135
Bonnier Publications	142	119	162	169	185
Bonnier Corporation	9	-6	-20	37	10
Bonnier News	211	174	454	516	583
Other	-416	-727	-398	-594	-487
Bonnier AB, total	**9**	**-410**	**625**	**731**	**1,008**

[1] As of January 1, 2019, the Group consists of nine cash-generating units. Bonnier Publications and Bonnier Corporation have previously been included in Magazines. Magazines are now included in News. E-commerce has changed its name to Adlibris and Film Studios has changed its name to SF Studios. As a result, the comparative figures for the years 2015-2018 have been adjusted.

[2] In 2017, business was transferred from Business to Business to News. Comparative figures for 2015 - 2016 have therefore been adjusted.

[3] Figures for 2016 were restated in 2017 due to a reevaluation of the Group's accounting for intangible assets and inventory relating to development costs and publishing rights, and correction of errors.

[4] The 2019 and 2018 figures have excluded Bonnier Broadcasting.

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