

BONNIER
ANNUAL REVIEW
2017

BONNIER



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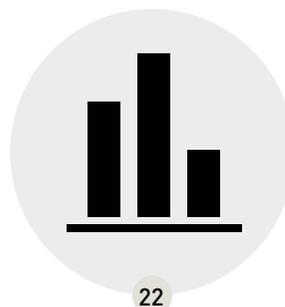
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This is Bonnier. We continuously reinvent media. Bonnier is the Nordic region's leading media company, with over 200 years of experience in changing media markets. We are based in Sweden, have operations in 15 countries and are wholly owned by the Bonnier family. Our businesses span the media spectrum, with a strong historic core in independent journalism and book publishing.

The Bonnier Annual Review 2017

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Tomas Franzén

“We’ve made important contributions to society”

During 2017, Bonnier has continued through journalism, storytelling and knowledge-sharing to make the communities in the countries we work in more open, more interesting and more entertaining.

Our times call for professional journalism, trustworthy voices, shining a light on those in positions of power within the public as well as private spheres, and a diversity of perspectives and opinions. Our times also call for storytelling and entertainment that contribute to bringing people and societies together. During 2017, we’ve made important contributions to society in all of these areas.



Tomas Franzén,
CEO Bonnier AB.
(Photo: Peter Jönsson)

THROUGH INVESTIGATIVE REPORTING and in-depth journalism, such as news daily *Dagens Nyheter's* uncovering a serious data

breach at the Swedish Department of Transportation; and *Expressen* war correspondent

Magda Gad’s unique and award-winning coverage from Raqqa and Mosul.

THROUGH THE MORE than 100 million books sold and initiatives encouraging children to read.

THROUGH BRINGING TOGETHER audiences of millions for our own formats, productions and stories, we create important common cultural reference points.

THROUGH OUR KNOWLEDGE-BASED services – in schools such as with Nordic learning portal Clio Online and in health with Bonnier Health, medical journal *Medicine Today* and fertility app *Natural Cycles* – all of which contribute to important areas of our communities.

IN THIS ANNUAL REVIEW, you’ll find a varied selection of stories about our different

businesses that provide a positive social contribution. I’m proud to be the leader of companies that really make a difference.

IT HAS ALSO BEEN a tough year, without a doubt (more on the financial results here). Which is true regardless of whether you measure in terms of finances or the intensity of work. In a market undergoing radical changes, we need to be simultaneously innovative and cost-effective if we want to ensure our future as a powerful media group over the long term. We need to be very careful with our finances and work more efficiently in our traditional businesses in order to free up the resources needed to invest in new technology, new competences and new services. This makes huge demands on those of us working at Bonnier.

WE WILL CONTINUE to focus on our transformation of revenues from traditional to digital sources, and on ensuring we are doing the right things for the long-term success of Bonnier. Does this mean that profitability in the short-term is unimportant? On the contrary, profitability is necessary in order to hold to our strategic direction over the long haul.

DURING 2017, a number of pieces have fallen into place that make me very hopeful that during 2018 we can take more steps in the right direction, including in terms of finances. One important puzzle piece is that our news and business dailies in Sweden continue to prove that customers are willing to pay for high-quality journalism in a digital format, with a total of 200,000 purely digital subscribers. Another sign is that both Swedish news daily *Expressen* and TV

network TV4 have grown both in terms of reach and advertising revenues.

WE CAN SEE that where we are successful, there are a number of parameters in place: A better understanding of our customers’ needs; the ability with the right technology and specific competences to introduce new content and services that meet user’s needs; and having a culture and leadership that take advantage of opportunities to collaborate within companies and even over company boundaries. We have a lot left to do, but also a number of good examples and successes to learn from.

DURING FALL 2017, public debate as well as workplace discussions were dominated by the revolutionary power of #metoo. For those of us working in media, it’s had double significance as our organizations have been affected directly, while at the same time media has played a central role in publicizing #metoo.

I’M CONVINCED THAT there is a before and an after #metoo. Workplace environment issues have seldom been on the agenda for Swedish corporate leaders, including for Bonnier. This has changed, and the change is permanent.

WITHIN BONNIER, we can rightfully be proud of the contribution to society that our companies and products provide. We make tough demands on others through our journalism. Naturally, we need to make equally as tough demands on ourselves.

Tomas Franzén, CEO Bonnier AB

Bonnier has a history of over 200 years as a family-owned media company. Planning for the long-term is a core value and a starting point for how we run our businesses.

IT'S THROUGH THIS thinking over the long-term that we want to have a positive effect on those communities we operate in and contribute to a sustainable society. We want our communities to be more open, more interesting, more entertaining and more well-informed.

AS A PART of society and as a company, Bonnier has a responsibility for the influence, negative and positive, that we have in the world. Our world has distinct challenges related to health, equality, climate change and much more, where the 17 Global Goals offer a way forward in terms of the three dimensions of sustainable development: economic, social and environmental.

BONNIER HAS IDENTIFIED the following five areas that are especially central to our work with sustainability and long-term social benefit:



Expressen's news desk worked hard during the terror attack in Stockholm in April 2017.

FREEDOM OF SPEECH. Bonnier shall be Sweden's leading force for wide-ranging freedom of expression and for free media. Freedom of speech and openness should even define our internal corporate culture.

GOVERNANCE. As a family-owned media company, we are aware that our businesses are run in a sustainable fashion, with well-known ethical guidelines and a functioning warning system for when ethical guidelines are broken.

OUR EMPLOYEES. To attract, develop and

retain the right competences is a deciding success factor. Creating environments where people can develop and successfully handle the push for change the media industry is experiencing are central challenges for our businesses.

DIVERSITY. Our companies shall offer fair employment conditions regardless of sex or background, and our businesses should contribute to an inclusive society where more can take an active part.

ENVIRONMENT AND EFFECTIVE USE OF RESOURCES. Global and local challenges connected to the environment and the impact on the climate affect all companies. Even if Bonnier's own environmental impact is limited and varies considerably given the broad portfolio of businesses, we shall work to minimize our direct impact on the climate and where relevant, in our value chain.

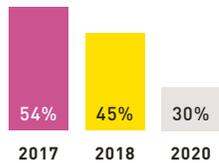
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Bonnier 2017

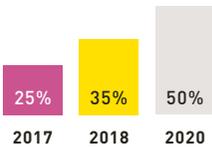
Our Business Idea: We create, select and refine a world of knowledge and stories.

Revenue Streams' Goals

Traditional



Digital and new

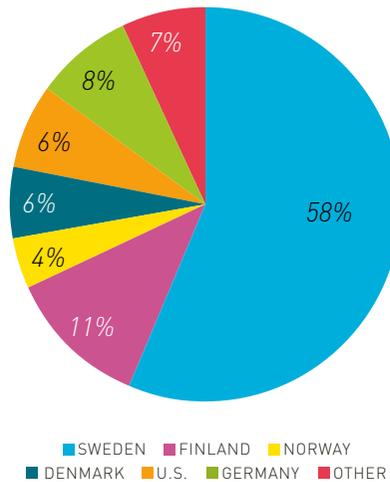


Books and other sustainable



In the year 2020, we aim for 50% of revenues coming from digital and other new sources.

Net Sales by Country



Ambition: To be a leading and high-performing digital media house.

We embrace technology. Bonnier has leading positions in key media segments, but only about 25 percent of our revenues come from new sources. By 2018, 35 percent of our revenues should come from sources sustainable over the long term and by 2020 the target is 50 percent. With this in mind, our strategy for the next years focuses on investments in technology, new services and getting the right teams. We are developing a culture of strong cooperation across brands, companies and business areas. When we do this, combined with our journalistic and literary credibility, the long-term thinking of our owners and the talent within Bonnier, we have every opportunity to succeed.

Key figures

8 343
EMPLOYEES

150
COMPANIES,
APPROXIMATELY

15
COUNTRIES

625 SEK M
EBITA

25 740 SEK M
NET SALES

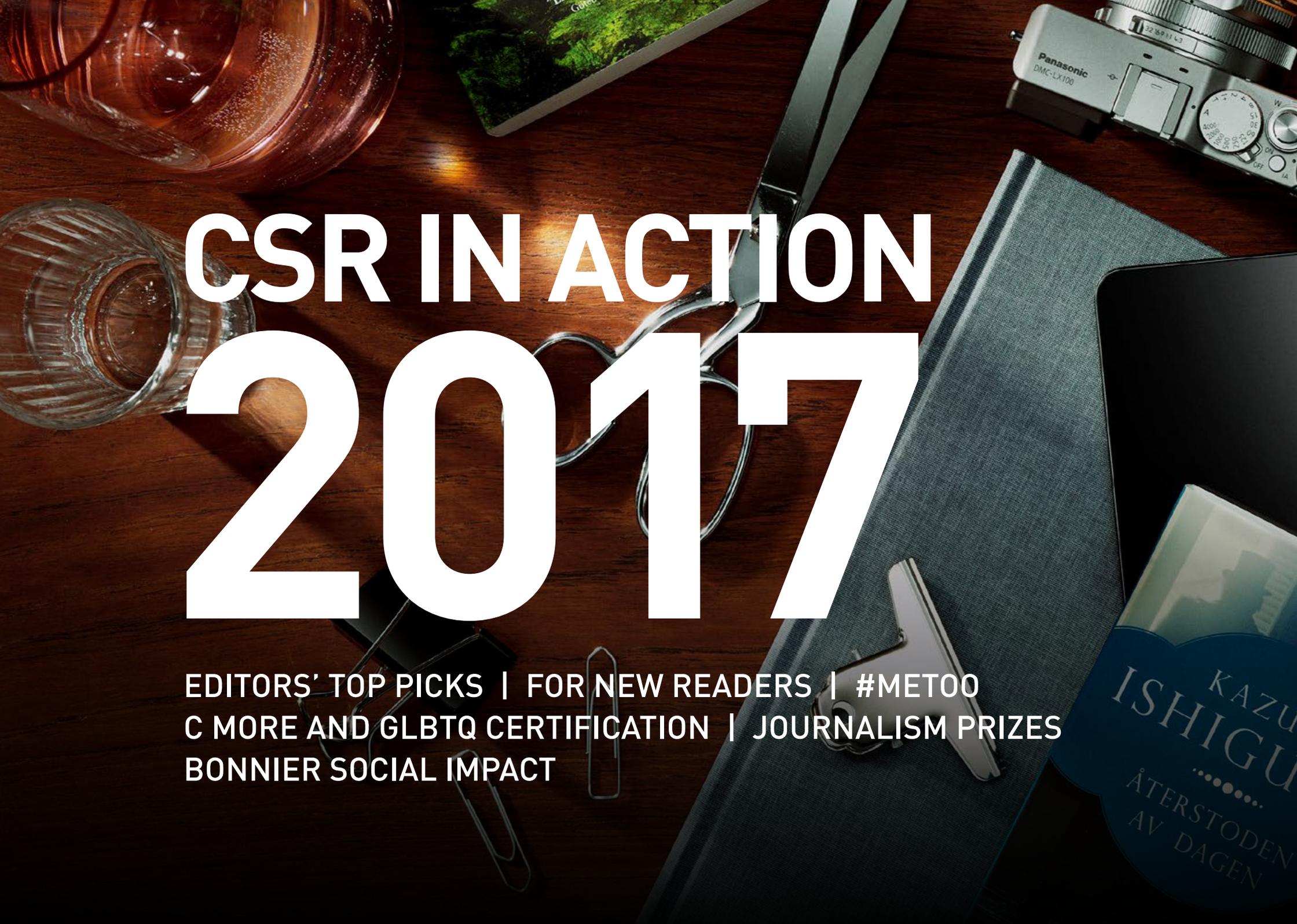
Bonnier's
Core Values

Freedom
of Speech

Passion
for media

Commitment of
a Family Company

Power of the
Individual



CSR IN ACTION 2017

EDITORS' TOP PICKS | FOR NEW READERS | #METOO
C MORE AND GLBTQ CERTIFICATION | JOURNALISM PRIZES
BONNIER SOCIAL IMPACT

KAZU
ISHIGU
.....
ÅTERSTODEN
AV DAGEN

Journalism

The Good Case for Publishing

Bonnier editors and publishers talk about some of their most important publications of the year and the impact they've had.

WHISTLEBLOWER AT THE NATIONAL PROPERTY BOARD

A police raid on a government agency. A general director fired. Eight people suspected of crime. One whistleblower who had enough. Per Hermanrud's and Phil Poystis' investigation of the National Property Board on TV4's Kalla fakta (cold facts) investigative journalism show contains everything that a real scoop should have.

"An example of extraordinary journalistic craft, which was nominated for Sweden's top TV award, Kristallen. It's more important than ever now, in a time where dark forces want to undermine democracy and legislators want to restrict freedom of expression, that media has owners and management that protect investigative journalism." *Viveka Hansson, Program Director for News and Current Affairs, TV4*

SUFFERING IN A BADLY LEAKING SOCIAL WELFARE SYSTEM

Mikael is single, poor and mentally ill. After having fought for eight years to get proper care, he's given up, pulled down his house and escaped to the woods. KIT follows Mikael's battle in real time, over fields and meadows, to a watchtower on the shores of Lake Vänern. This is a story of a human being as well as a blunt portrayal of a badly leaking social welfare system.

"Few reporters would take Mikael's case since the issue of responsibility is messy and the story isn't complete. Mikael's fight with the system isn't unique, but that's what makes the reporting of particular interest to the reader. Many recognize themselves in Mikael's helplessness and are actively concerned with his disappearance. And the story of his fight isn't done yet." *Jenny Agö, Editor, KIT*



TERROR ATTACK IN STOCKHOLM

The terror attack in Stockholm in April 2017 was among the biggest national news of the year in Sweden. Just hours after the attack and before the police made it public, Expressen was first out with a photo from security camera footage of Rakhmat Akilov that made it possible to identify and arrest him.

"I stood in the small auditorium at Expressen's offices in front of some 60 advertisers when the notification flashed on my mobile about the insane driving. It pinged and I finished my talk about DiTV and went up to the news desk. There, I understood immediately that something horrible had happened." *Thomas Mattsson, Editor-in-Chief, Expressen*

DATA LEAK AT DEPARTMENT OF TRANSPORTATION

Dagens Nyheter's revelations of an IT scandal at the Swedish Department of Transportation was the biggest political news of the year. The reporting led to the

departure of several ministers and dominated public debate for a number of months.

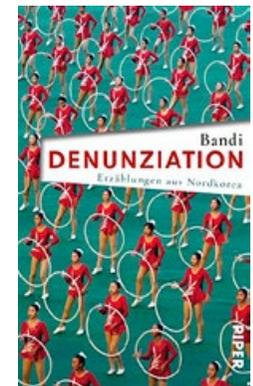
"Investigative journalism has seldom been as important as it is now. Mikael Holmström's and Kristoffer Örstadius' investigation of the actions of the Department of Transportation have shaken things up and resulted in big changes. It shows how important it is to set aside resources for this type of reporting." *Peter Wolodarski, Editor-in-Chief, Dagens Nyheter*

STORIES SMUGGLED OUT OF NORTH KOREA

In May 2017, Munich-based Piper Verlag published *Denunciation*, a book with stories from North Korea.

"The author's pseudonym is Bandi, a literary writer who throughout the past decades has become a sharp critic of the North Korean regime, which he blames for mass starvation and human suffering. In his work, Bandi records the suffering of common North Koreans who have no one they can commiserate with and who are imprisoned in their own state. The stories were smuggled out of North Korea and have attracted a great deal of attention in Germany, both by media and the public, as Bandi offers a unique insight into the private lives of North Koreans."

Felicitas von Lovenberg, Publisher, Piper Verlag



See more activities at ANNUALREVIEW2017. BONNIER.COM

Inclusiveness

For a New Generation of Readers

Empowering kids through reading and writing at Berättarministeriet, funded in part by the Bonnier Family Foundation and Bonnierförlagen.



PHOTO: KARL GABOR

A SWEDEN WHERE everyone feels comfortable with the written word and has a chance to actively participate in social life. That's the vision of Berättarministeriet – The Ministry of Storytelling – a non-profit, politically and religiously independent organization that aims to empower children to conquer the Swedish language and improve their grades in school. With nearly 35,000 education centre visits from kids, over 2,600 from teachers and some 500 volunteers, Berättarministeriet has clearly had an impact.



Dilsa Demirbag-Sten,
general secretary for
Berättarministeriet.

suburban areas outside Stockholm, Göteborg and Malmö and receives public funding as well as from corporations and foundations, including from Swedish book publishing house Bonnierförlagen and the Bonnier Family Foundation. Berättarministeriet is a strong match and a vision that fits well with Bonnier's strong support of reading and core value of power of the individual.

“At Berättarministeriet, children discover how fun it is to read and write,” says Dilsa Demirbag-Sten, general

secretary for the organization. “The written word is necessary to be able to take part in all the magical stories that help us understand what it is to be human and the key to gaining knowledge.

“Berättarministeriet's mission is to strengthen children's chance to conquer the written word, and in that way achieve a basic foundation to be able to take an active role in society. For a democracy to be viable, the active participation of citizens is crucial.”

THE WORD IS FREE SUPPORTS BERÄTTARMINISTERIET

The annual charity auction of Swedish book publishing house Bonnierförlagen aims to strengthen and support free speech. For 2017, comic book artists Nina Hemmingsson and Frida Malmgren donated original illustrations from the book *Ordet är fritt* (The word is free) as part of the auction, along with signed portraits of musical artist Veronica Maggio and her autobiography *Everything's Good for Now* and signed copies of the photo book *Last Night in Sweden*. All the proceeds from the auction went to Berättarministeriet.

Equality

The Impact of #metoo

A look at the widespread anti-sexual harassment campaign, with a personal take from *Veckorevyn's* Irena Pozar.

IN THE FALL of 2017, #metoo hit the world like a tidal wave, not least in Sweden. Media, including many of Bonnier's publications, played an important role in keeping focus on the structures that allowed for sexual harassment and assault of women in the workplace in Sweden.

IN THE FINAL issue of 2017 of *Journalisten* of the Swedish Union of Journalists, the paper asked 18 journalists what the biggest media event of the year was. A total of 14 answered: #metoo. Of the four remaining, three of them named #metoo as the year's sensation and the fourth called #metoo the witch hunt of the year – but adding “in the best way.”

THE HASHTAG, started by U.S. actress Alyssa Milano on October 15 after producer Harvey Weinstein was accused of rape by several well-known actresses, spread like wildfire.

Milano aimed to put the focus on how sexual harassment of women is a structural problem in society, and the response was way beyond expectations. In just a few weeks, millions of women described their own abuse and harassment using the hashtag #metoo.

IN SWEDEN, thousands of women in industry after industry joined forces and attested to sexist behavior, harassment and rape. Actresses, women in the military, lawyers, politicians, teachers, dancers, archeologists and journalists were just some of the different professions with their own hashtags and stories published in Swedish media.

AT BONNIER MAGAZINES & Brands women's magazine *Veckorevyn*, the editorial team had created earlier a hashtag – #anmälalla (report all), aimed at encouraging and supporting women in daring to report sexual offenses to the police.

“The campaign consisted of a series of articles interviewing young women who told their stories of sex offenses they'd been subjected to and their experiences in reporting them or deciding not to,” says Irena Pozar, Editor-in-Chief.

“We worked with the campaign during the entire fall and we were going to publish it two weeks earlier but I got the flu. So when #metoo started, we didn't need to change

a thing in our campaign. The timing was perfect and we had a great response with hundreds of thousands of views,” she says.

FOR POZAR, the #metoo campaign was the most important thing that happened in 2017.

“It made a big difference, I can tell when I meet my girlfriends. Now, women dare to both talk about and report sexual offenses,” says Pozar.

“In terms of journalism, the campaign was a big challenge. In part because there were many workplaces within media that needed themselves to be investigated, in part due to the ethical problem of when to publish names.”

THE QUESTION OF publishing names came up almost immediately. The first Swedish testimonies under the hashtag #metoo involved a popular program host for TV4's do-it-yourself show *Äntligen hemma* (home at last) and a well-known columnist for Swedish news daily *Aftonbladet*.

BONNIER BROADCASTING'S TV4 chose to discontinue working with the TV host and removed the program from its line-up. Simultaneously, the channel ordered an independent investigation of the charges of abusive discrimination and sexual harassment during production of *Äntligen hemma*. The investigation criticized TV4 for not taking action earlier to ensure a safe working environment during production of the show. As a result, TV4 has adopted a “zero tolerance” goal, which aims to combat and prevent harassment, bullying and harm, and among other things includes a new whistleblower function.



Irena Pozar, Editor-in-Chief for *Veckorevyn* (photo: Peter Jönsson)

“On the whole, I think that question of how to handle publishing names was handled well by the media. If I understand correctly, there haven't been more complaints than usual to the Swedish Press Ombudsman [responsible for handling complaints against the press],” says Pozar.

“However, I think the media could have been better in communicating with readers when it came to why they published or didn't publish each individual name of those accused. Unfortunately, there's a credibility problem for media and many readers wondered what the media's reasoning was behind the different cases.”

BOTH DAGENS NYHETER and *Expressen* together with other Swedish nationwide media played leading roles during the #metoo

campaign. The news dailies regularly published the different campaigns and even carried out their own investigative reporting, which among other things resulted in *Dagens Nyheter's* disclosure of misconduct by a cultural figure connected to the Swedish Academy and a senior manager at Schibstedt.

"I'm proud of these investigations, they were important," says Pozar.

SHE HOPES AND believes that #metoo will leave a permanent mark on society.

"In the beginning, I was worried that #metoo would evaporate after a few weeks, but that hasn't been the case at all. I know that many men now see what a problem this is and can say 'me too' to call out a friend who is acting sexist," says Pozar.

"I hope that all work places now on have an active gender equality policy and not just an old piece of paper that's collecting dust somewhere. I also hope that everyone has seen that the problem that's surfaced is structural and it is everywhere – in every occupation and in all social classes."

BONNIER CEO TOMAS FRANZÉN ON #METOO
"I'm convinced that we as a media group, and all other employers, have much to learn from the debate that is underway. If there is something that the #metoo campaign has shown, it is that this isn't happening on the margins, it's a problem throughout our entire society. It's our responsibility to make things better based on this insight."

Equality

Towards a More Inclusive Playing Field

C More is using its power within sports to make a difference for openly gay and transgender people.

THE SPORTS WORLD is still conservative in many respects, often criticized for being homogeneous and stereotypical, and not terribly inviting for anyone breaking gender norms. There is no openly gay player in any of the major sports league matches that C More broadcasts. With this in mind, C More wants to use its strong position, not least within Swedish sports, to make a difference for those outside traditional gender norms: The streaming service is the first media company in Sweden to be GLBTQ certified.

THE CERTIFICATION FOR C More is via RFSL, the Swedish Federation for Lesbian, Gay, Bisexual, Transgender and Queer Rights, which also provides education. The goal is both a matter of principle as well as good business sense: that all sports fans should feel welcome watching C More's sports broadcasting, and not to alienate any possible viewers or employees through lack



C More's GLBTQ certification is both a matter of principle and good business.

of knowledge or awareness. With this as a first step, C More plans to go further with more initiatives in 2018 to make Swedish sports more inclusive.

"WE AT RFSL are happy that C More was the first media company to choose to be GLBTQ certified and that it was the sports depart-

ment in particular," says Kristina Ullgren from RFSL. "We know that the sports world is prone to exclude GLBTQ people and especially young people who are GLBTQ. With its powerful influence within the sports world, C More can through its certification push for broader representation and more role models for young athletes."

Journalism

Rewarding the Hard Work of Journalism



Prizewinner Magda Gad, war correspondent for *Expressen*.

A range of journalism prizes from Bonnier support the best in journalism in three different countries.

WHEN THE FIRST Swedish Grand Prize for Journalism was given out in 1966, it was the start of a long Bonnier tradition of honoring the best that journalism has to offer with independent journalism awards. From exposing corruption to giving a voice to the invisible, revealing surprising truths to telling amazing stories in a way no one else can. For over 50 years, the awards have recognized the best in Swedish journalism, and the best in Finland as well since 2000 when the Finnish Grand Prize for Journalism was instituted. In Estonia, the Bonnier Award for top investigative journalism was established in 1996. And there are even journalism awards given out by individual publications, such as Swedish news daily *Expressen's* Per Wendel Prize awarded annually.

“Serving as a watchdog over power, whatever it looks like and however it’s expressed, is the duty of journalism and its most impor-

tant job,” says Jonas Bonnier, chairman of the jury for the Swedish Grand Prize for Journalism. “And in times when those in power are actively working to stop this and will avoid being scrutinized, it feels like the Grand Prize for Journalism is more important than ever. To once a year get a chance to highlight, encourage and reward the high-quality journalism that’s undertaken by big and small news desks all over Sweden, has been a Bonnier tradition of the very best sort,” says Jonas Bonnier.

NON-STOP DIALOGUE

A finalist in 2016 and named Innovator of the Year in the Swedish Grand Prize for Journalism 2017, *Expressen’s* Magda Gad is one of the country’s most visible journalists, with her extensive onsite war coverage in Syria and the Middle East and an enormous following on social media. In giving her the prize, the jury noted Gad’s talent for taking her audience with her to the front, reinventing war coverage with a popular and ongoing dialogue.

“I do my journalism collaborating with the readers,” says Gad. “We have two-way communication, where both sides provide information, questions and discussion. It leads to much better and deeper journalism. Even engagement and influence and the possibility to change things increases. It’s this that’s the whole meaning of my work. The readers spread the reporting by talking with their children and colleagues, and they write letters to everyone from our prime minister to aid organizations.”

Inclusiveness

Positive Impact Beyond Business

Bonnier Social Impact provides funding for initiatives within Bonnier that serve a social purpose.

OFTEN, PROJECTS WITHIN Bonnier have a social responsibility aspect beyond the business value for the company. Established in 2016, the Bonnier Social Impact fund aims to fill the breach for projects that fill an important purpose but otherwise might never see the light of day.

“THE IDEA WITH the fund is to support initiatives that are both positive for our businesses as well as for society, but that might not meet strict market requirements,” says Tomas Franzén, CEO for Bonnier AB.

FINANCED BY BONNIER AB and the Bonnier Family Foundation, the Bonnier Social Impact fund has provided financial support so far for three projects: Filmtegration, with C More; Clio Prep Course for New Immigrants, with Clio Online Sweden; and Bonnier Hoops, with Bonnierförlagen.



New immigrants learn Swedish with the help of classic Swedish movies from Filmtegration.

BONNIER BUSINESS AREAS

BOOKS | BROADCASTING | BUSINESS TO BUSINESS
GROWTH MEDIA | MAGAZINES | NEWS



The year 2017 was characterized by contrasts: on the one hand, a strong and wide-ranging publishing list and enormous digital growth, on the other hand big challenges and weak profits for our physical bookstores and some of our publishers.

Books

YET AT THE same time the year posed challenges, it was a pleasure to see that our largest publishing houses, particularly in Germany and Sweden, have been highly profitable. Profitability driven by a relevant and modern publishing list combined with skilled book launches.



Håkan Rudels,
Business Area Head

WE ARE ACTIVE in industries undergoing rapid change, and within book publishing we are involved in and drive this change. But our physical retail businesses, like many others, were hit hard by changing

consumer behavior that is affecting all retail.

When I became business area head for Bonnier Books in late fall, we set a clear, more publishing-focused strategy. In the coming years, we will be a smaller but more profitable business area, with the aim to strengthen our position as a modern, powerful European book publishing group.

I AM REALLY pleased with German book publishing group Bonnier Media Deutschland's successful year, with publishing activities that

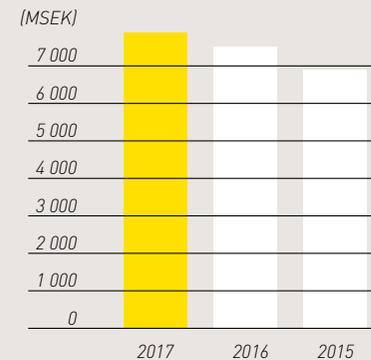
continued to go extremely well. There were 25 titles that sold more than 100,000 copies during the year. In addition, the acquisition of Münchner Verlagsgruppe (MVG), a fast-paced, agile and trend-driven publisher, exceeded expectations and further strengthened our business and our position in the important and large German book market.

BONNIERFÖRLAGEN CONTINUED TO retain its leading position in the Swedish market. The publishing group had an excellent year, not just due to the continued positive growth in digital audiobooks, but physical book sales increased as well. Digital formats accounted for 22 percent of total revenues. New initiatives were launched, for example digital-only publisher Bonnier Bookery, with a list chosen to attract the digital book consumer.

Our digital subscription service BookBeat grew strongly and now has 63,000 users.

IN OUR OTHER publishing businesses, Norwegian Cappelen Damm had a stable year. Bonnier Books Finland showed positive development in terms of sales but with continued weak gross margins. In Poland, we have a small but

NET SALES

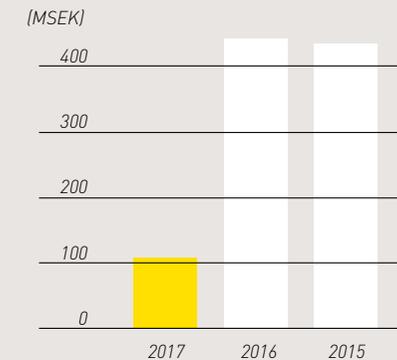


COUNTRIES

- Australia
- Finland
- France
- Germany
- Poland
- Norway
- Sweden
- U.K.
- U.S.

*Adlibris Group was broken off into Bonnier's newly formed E-Commerce Business Area at the beginning of 2018.

EBITA



COMPANIES

- Adlibris Group*
- Akateeminen Kirjakauppa (Academic Bookstore)
- Bonnier Books Finland
- Bonnier Books Nova
- Bonnier Books Polska
- Bonnier Media Deutschland
- Bonnier Publishing
- Bonnierförlagen
- BookBeat
- Cappelen Damm (50 percent)
- Pocket Shop

profitable business with a strategy to strengthen our position there. Bonnier Publishing in the U.K. has grown rapidly in recent years, but we experienced growth pains and profitability problems. There is a clear action plan to deal with this and to build a strong book publishing group for the future in the U.K.

AS MENTIONED PREVIOUSLY, there are major challenges in physical retailing where our bookstores Pocket Shop in Sweden, Finland, the U.K. and Germany, Akateeminen in

Finland and Cappelen Damm's bookstore Tanum in Norway wrestled with extremely difficult retail markets.

THE ADLIBRIS GROUP continued to perform well in book sales, and sales in other categories increased sharply. Unfortunately, the year was also characterized by logistics problems in December, which had a severe toll on results. In December, Bonnier AB's Board of Directors decided to make Adlibris a separate business area.

Bonnier Broadcasting’s digital transformation accelerated during 2017.

Broadcasting

SWEDISH TV NETWORK TV4 had its best year ever financially, thanks to a systematic focus on high-quality Swedish content in all genres, a strong focus on technical development and a talent for meeting the advertising market with the strongest offer. The long-term work on total TV – where the way of watching makes no difference – made a real breakthrough. Thanks to TV4 Play’s strong growth, the total reach for TV4’s total TV offering increased over time. Streaming service TV4 Play grew by 18 percent, representing over half of time spent on all ad-based video-on-demand (AVOD) services in Sweden according to independent analysts MMS, with over 3.8



Casten Almqvist, Head Bonnier Broadcasting and CEO, TV4

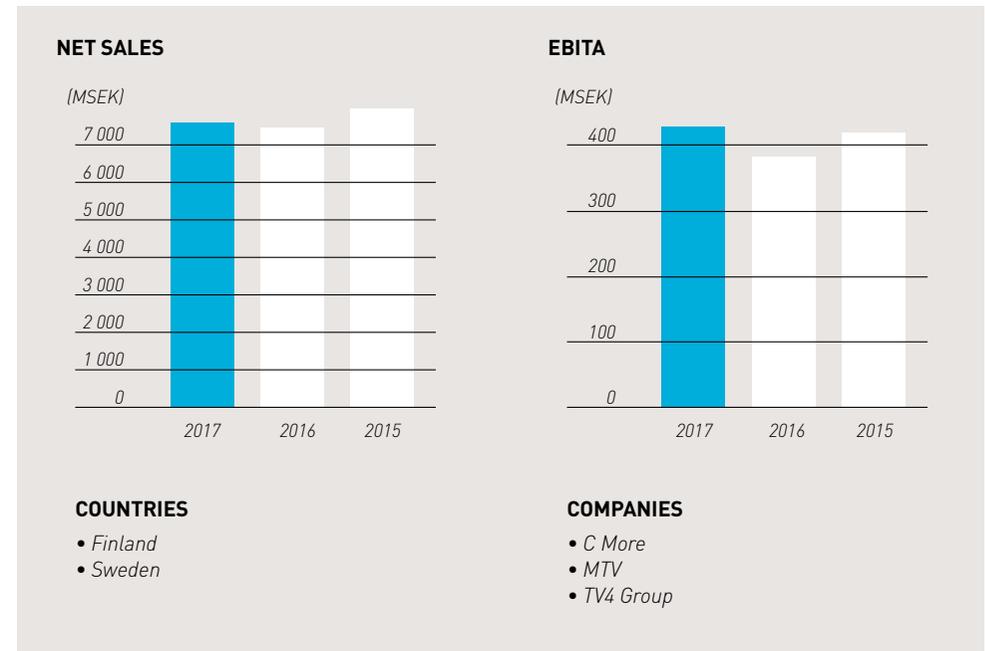
million registered users. At the same time, the TV4 Group had an average viewer share of 33.8 percent (for ages 15–64) for linear TV, its highest ever.

FOR THE THIRD year in a row, C More was the fastest growing subscription-video-on-demand (SVOD) service. And there was a lot

more big news during the year: TV4’s ad-free programming and SF Kids became part of the SVOD service, and the first C More Original series premiered. In addition, sports channel Sportkanalen was launched and the over-the-top (OTT) package Standard Sport. The new sports selection is for a broad target audience at a lower price level than the premium package. During the fall, a comprehensive growth project to increase conversions for C More was undertaken. The number of sign-ups doubled during over the year.

IN FINLAND, the advertising market continued to be a challenge despite better macro-economic conditions. For MTV, its high-quality Finnish content focus and average viewer share during the year was 25.7 percent (for ages 10–54) was the market leader in all commercial audience groups. The AVOD service MTV Katsomo had 2 million registered users by the end of the year. The SVOD service C More was launched in Finland during the year and was well-received by the Finnish public.

THE DIGITAL TRANSFORMATION that Bonnier



Broadcasting has been pursuing for several years has meant a comprehensive program of restructuring. Nyhetsbolaget was dissolved as a separate news production company and news and current affairs producers and journalists moved back to the core business at TV4 and Bonnier Broadcasting. Work on integrating TV4 and C More’s operations intensified further to increase the pace of growth. Toward the end of the year, TV4’s head of operations Mathias Berg was appointed also head of operations for C More. The linear TV channels TV4 Komedi and TV4 Fakta XL were discontinued in order to focus more on TV4, Sjuan, TV4 Play and C More. Some 90 positions were terminated as a result of restructuring and cost-savings measures.

IN CONNECTION WITH the #metoo campaign, TV4 was criticized for its failure to act on poor working conditions during the production of one of its TV series. After extensive work, the network established a powerful action plan – Mission Zero – with the purpose of combating and preventing violations and harassment, while also simplifying identification of violations and how they are handled. The zero tolerance policy includes, among other things, clearer guidelines, education for employees and managers, establishment of industry-wide meetings, an internal ethics advisory group, clearer dialogue and requirements in relation to external productions, and a whistleblower system that can be used also by the production companies that TV4 uses.

The year 2017 is now history. If anything good has come out of the year's world-changing political events, then it is that the value of independent and professional journalism has come into the spotlight stronger than ever.

Business to Business

THE OVERALL VIEW that digital news should be free has changed. This was certainly helpful to all professional publishers including us, where increasing revenues for paid content is one of our primary strategic goals.

AT BONNIER'S BUSINESS to Business companies, which consist of a range of business news and niche publications as well as handbooks, events and other related business in Eastern



Karmo Kaas-Lutsberg,
Business Area Head

Europe and the Nordic region, our editorial offices have made many improvements together with commercial teams to focus on engagement of paying readers and attracting potential new subscribers. Many of our businesses

delivered growing subscription numbers after years of decline. A combination of corporate sales, data analytics and relentless sales efforts have put us back on a growth track.

OUR ADVERTISING TEAMS across the board have continued their strong efforts to make the best of the overall challenging situation.

We have many examples of growing advertising sales, which is an achievement on its own.

ONE OF THE proofs of our entrepreneurial mind has been that challenging times in advertising markets have pushed us to focus even more on finding additional revenues in other areas. Our conferences and training revenues have been growing by double-digit percentage in all markets.

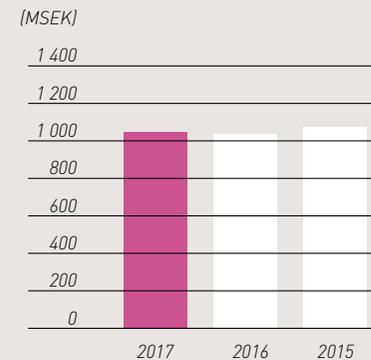
THE YEAR 2017 also saw us welcoming many new colleagues into the business area through acquisitions.

LEXNET IN LITHUANIA has opened up a new line of business for B2B by providing decision support solutions to legal professionals.

SPOTDATA IN POLAND is a step towards establishing ourselves as a business information provider beyond more traditional content publishing.

ALSO IN POLAND, eRanking will help us strengthen our offer in the lead-generation business.

NET SALES

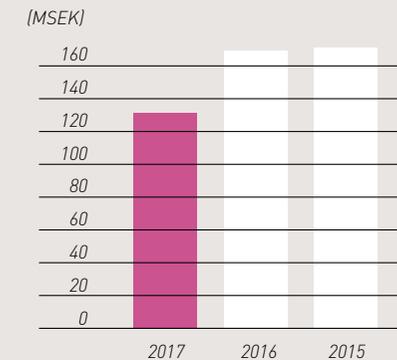


COUNTRIES

- Austria*
- Denmark
- Estonia
- Finland
- Germany
- Lithuania
- Norway
- Poland
- Slovenia
- Sweden

*KnowledgeFox in Austria was sold in the beginning of 2018

EBITA



COMPANIES

- Bonnier Business Press
- Børsen
- Clio Group

IT KOOLITUS – an IT training company acquired in Estonia – will help our business take a market-leading position in the niche of IT professionals.

IN THE HEALTHCARE and pharma niche, we launched a clinical decision support tool, Gesinform/Deximed, in Germany in January. Netdoktor, acquired in 2016 in Sweden, has been expanding to Finland and Norway during the year.

IN JANUARY, a 49.9 percent share in our Danish business daily *Børsen* was sold to JP/Politikens Hus, following objections from Danish competition authorities to a full sale of the paper.

OUR SCHOOLS E-LEARNING business Clio in Denmark started to re-focus its approach to the market for 2018, after which subsidies will disappear. In Sweden, middle school portals were launched in addition to the high school launch in September 2016.

Norwegian online subscription and medical information service for physicians, NHI is the market leader with 40 percent.



Within Bonnier Growth Media, the value of the investment portfolio developed strongly during the year.

Growth Media

WITHIN BONNIER GROWTH MEDIA, the value of the investment portfolio developed strongly during the year. Investment activities under the name Bonnier Ventures included a portfolio of nine growth companies. The holdings in these companies were valued at over SEK 550 million at the end of the year, corresponding to an internal rate of return (IRR) of 28 percent.



Ulrika Saxon,
Business Area Head

BONNIER VENTURES made several further investments during the year in conjunction with external investment rounds in podcasting platform Acast, fertility app Natural Cycles, cashback

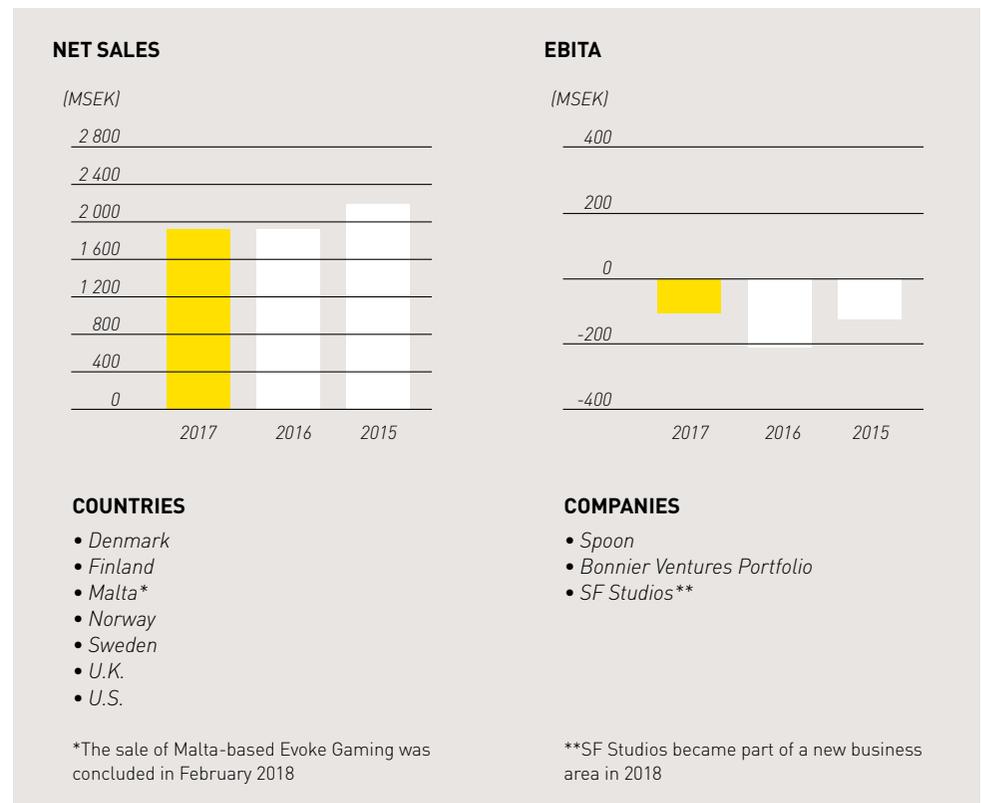
service Refunder and film and TV production company FLX. All of these companies showed strong growth during 2017. Bonnier Ventures also made a new investment in DaisyGrace, a content-driven omni-channel company; and became financially involved with the U.S.-based Betaworks and the Nordic fintech player NFT Ventures.

TWO EXITS WERE carried out at the end of the

year: Evoke Gaming (a wholly owned company within Bonnier Growth Media), which was sold to Malta-based Mr Green; and United Screens (a minority owned company within Bonnier Ventures), which was sold to Germany's RTL. Both of these divestitures had a positive effect for Bonnier, where Evoke had had a negative impact on EBITA, and United Screens as of the time of sale had provided after three years a combined IRR of 13 percent.

SF STUDIOS REPRESENTED the biggest share of Bonnier Growth Media, with SEK 1.39 million in revenues and SEK -14 million in EBITA. The Sweden-based film and TV production company will be reported separately as of the beginning of 2018. This is to avoid confusion with Bonnier Ventures, which will become a business area solely focused on investments, with IRR as the primary financial performance indicator.

GROWTH AND DEVELOPMENT for SF Studios has been for the greatest part positive in most areas, where productions grew significantly, both via a number of TV productions



as well as feature films. The movie *Borg vs McEnroe* won a number of industry awards, both in Sweden as well as internationally, and a feature film of Swedish TV series *Solsidan*, which was a joint production with FLX and distributed by SF Studios, ended the year with high cinema attendance numbers.



Podcast platform Acast reaches 18 million unique individuals across its 45 million monthly listenings.

Reading habits change and advertising money gets spent elsewhere – there’s nothing new about this for magazines. But in 2017 we saw the rate of change accelerate. And it posed challenges at an even faster pace for our existing businesses.

Magazines

AT THE SAME TIME, our new growth areas showed great potential, and the plan is to increase our speed forward to match the big shift.

THE RAPID CHANGE is most apparent in the U.S. market, where print revenue for magazines dropped by almost 20 percent in 2017. While Google and Facebook are growing, everyone else has to struggle, both in print and digital. As a result, we saw consolidation during the year with several major acquisitions and mergers.



Lars Dahmén,
Business Area Head

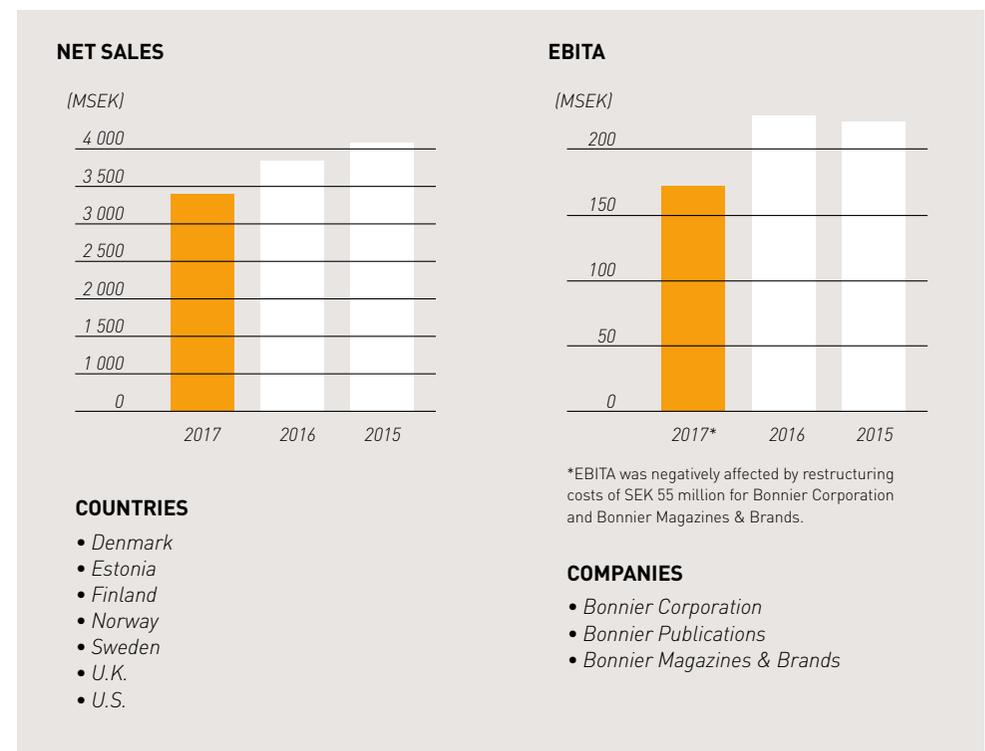
EVEN IN THE Nordic countries, the rate of change is increasing, but both of our companies there, Bonnier Publications with headquarters in Copenhagen and Bonnier Magazines & Brands with headquarters in Stockholm, have strong reader revenues and have been able to keep up well: 2017 saw net sales of SEK 2.23 billion as budgeted and was at about the same level as 2016.

WE ALSO TESTED new products and formats, such as a focus on a higher price and more exclusive special issues (bookazines), where we managed to create new revenue in an otherwise pressed market for single-issue newsstand sales.

IT IS ALSO a very positive sign that more complex concepts, such as native advertising, have gained traction: We really know our target groups and can handle everything from idea and design to production and delivery. Other positive areas are the increase in agency activity at Benjamin Creative in Denmark and the growth of services such as travel and education.

IN THE U.S., we signed a long-term cooperation agreement with Li & Fung, world leader in manufacturing different types of goods, and an important partner in the plan to grow our strong brands through licensing.

IN THE FOOD SEGMENT, *Saveur* held its eight annual Blog Awards in Charleston, South Carolina, honoring outstanding food and travel content from around the world. In



2017, over 30,000 nominations were made in 12 categories.

IN SWEDEN, we strengthened the influencer business and with the acquisition of the Tailsweep network, we are now clearly the market leader. In the fall, we also witnessed the birth of a new event in the fashion area: Sweden Fashion & Beauty Day, a joint venture from all four fashion and beauty brands.

FITNESS TITLE *Active Training* was re-launched for the entire Nordic market. Going from an entirely male audience, it is now a unisex magazine, and circulation is up 10 percent.

THE FIRST MORE extensive trials of consumer-paid digital products showed the way to the future. The Nordic all-you-can-read magazine app WYPE has evolved positively during the year, and several new digital services have been developed.

COSTUME WAS THE first fashion magazine in Norway with a model on the cover wearing a hijab, with actress Iman Meskini from the Norwegian television series *Skam*. The cover gained a lot of media attention and had a global impact as a consequence.

The year 2017 was marked by continued pressure on our entire business; an advertising market undergoing powerful changes, development of our digital subscription offering and a print market with investments in both our products and structural business within printing and distribution.

News

THE INTEGRATION WITH business-to-business group Bonnier Business Media (BBM) and Southern Swedish newspaper group HD-Sydsvenskan as well as the acquisition of real-estate news and event business Fastighetsnytt strengthened opportunities for future development of our operations.

BONNIER NEWS BRAND STUDIO continued to develop not just as a leading player in Sweden, but even internationally.



Anders Eriksson,
Business Area Head

WE WILL SOON reach the 200,000 mark for digital subscribers in our combined news dailies and had positive growth as well in the total number of subscribers for our combined papers.

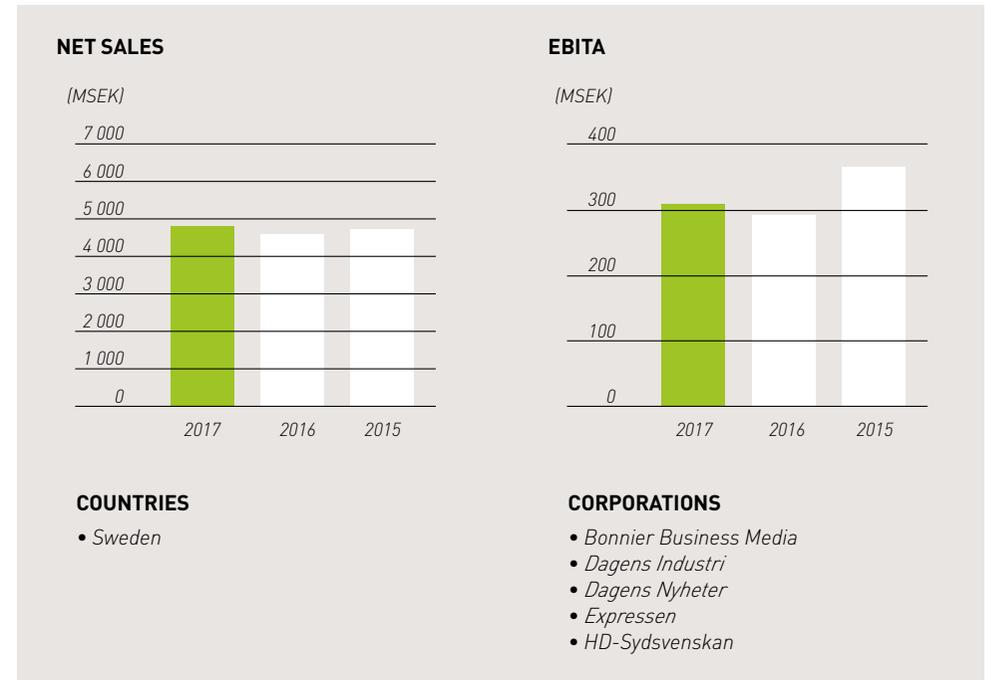
OUR EXTRA EFFORTS in video resulted in the launch of DiTV as strong growth in traffic for Swedish afternoon paper *Expressen*. New collaborations with CNN and the *New York Times* have strengthened our offering, and we are investing in our news staff.

PRINTING COMPANY BOLD continued to take market share and has been able to lower production costs for our newspapers and successfully streamline the printing companies. During the year, the commercial and administrative functions were combined into a common company.

WITH AN EBITA of SEK 303 million, the business area had a strong finish to 2017.

SWEDISH BUSINESS DAILY *Dagens industri* (*Di*) and Bonnier Business Media (BBM) had profits of SEK 144 million. *Di* launched DiTV in collaboration with *Expressen*, which had a positive reception from the market. *Dagens industri's* digital subscriptions grew to nearly 30,000 by the end of the year. Collaboration with BBM continued to deepen. Integration with Fastighetsnytt continued and BBM has come a long way in its digital transformation.

DURING 2017, *Expressen* had strong growth both in traffic and ad revenues while the print circulation decreased notably. A close cooperation among the editorial side,



development and analysis resulted in traffic growth of 28 percent. Digital ad revenue growth was 21 percent and total ad revenues grew by 6 percent. TV viewing increased by 82 percent and revenues grew by 69 percent. *Expressen's* profits were SEK 37 million.

SWEDISH MORNING PAPER *Dagens Nyheter's* had profits of SEK 116 million. Digital subscriber growth continued and at the end of the year stood at 120,000 subscriptions. *Dagens Nyheter* also made significant investments in its news team to further strengthen its product offer and to prepare for the upcoming election in 2018.

HD-SYDSVENSKAN HAD profits of SEK 52

million. The business was fully integrated with the rest of Bonnier News during 2017. The news dailies have refined their digital subscription offer and received strong growth in digital subscribers, which at the end of the year was around 20,000.

With Bonnier as a new owner, Fastighetsnytt had a clear boost in performance. Its flagship event Business



Arena had a record number of participants, partners and financial results. Close cooperation with *Dagens industri* and Di TV among others helped increase the visibility of real estate industry issues more than ever. (Photo Elias Ljungberg)

Vision for Journalism



Carl-Johan Bonnier, Chairman of the Board, Bonnier AB. (Photo: Peter Jönsson)

Bonnier protects freedom of speech, freedom of press and the free flow of information. We stand for journalistic diversity and create opportunities for people to be heard. Readers, viewers and listeners are the clients of our media.

THROUGH JOURNALISM, STORYTELLING and knowledge-sharing, we want to make the societies in the countries we work in more open, more interesting, more well-informed and more entertaining.

OUR INFORMING PUBLIC opinion must be free of ties to political parties, financial power spheres and other organized social interests, and the news we provide must be independent. A diversity of voices and perspectives should be heard in our media. We believe in professional journalism with the legal responsibility that entails; this is our cornerstone.

BONNIER'S BUSINESSES HAVE always been driven by the market. Independence, high quality and longevity are predicated on commercial success and economic viability.

THE EDITORIAL CONTENT must also be independent from us, the owners. In our media, editorial executives own their journalism and editorial decisions. Editorial executives and managers are free to develop their media from their perspective of the traditions and missions of each respective media channel. We respect our businesses' individual identities and guarantee their freedom and independence.

BONNIER HAS A liberal tradition. But it's liberal with a small "l" without ties to a political party. This is characterized by a belief in the freedom of the individual, in free speech that's broadly and freely practiced, and in an open society.

OUR MEDIA STAND in safeguard of democracy, equality and fundamental human rights and freedom.

Stockholm, January 2017

*Carl-Johan Bonnier
Chairman of the Board, Bonnier AB*

Bonnier 2017: Strong Underlying Development – Weak Year-End Financial Results

Bonnier AB's operating profit (EBITA) for 2017 was SEK 625 million, compared to SEK 731 million the previous year. The group's revenues were SEK 25.7 billion (25.5 billion).

BONNIER AB'S CEO TOMAS FRANZÉN SAYS:

For Bonnier, 2017 has been a year of two faces. On the one side, the year-end results were affected by a number of turnaround cases that continue to run at a loss. In addition, we have comprehensive goodwill write-offs, primarily the result of investments in the U.S. in 2006-2008. On the other side, we see many breakthroughs in our underlying transformation, with strong digital growth for our products and services within journalism, storytelling and entertainment.

THERE WERE PRIMARILY two business areas that performed weaker than expected. Our U.K.-based book publishing house Bonnier Publishing has had several years of great expansion and acquisition, but during 2017

sales lagged and write-offs affected profits. After operational measures and write-offs, Bonnier Publishing has a good chance of sharply improving its profitability for 2018. Our Finnish TV operations, MTV, continued to have big challenges in a weak advertising market with tough pricing competition.

“We see many breakthroughs in our underlying transformation, with strong digital growth for our products and services within journalism, storytelling and entertainment.”

AT THE SAME time that the year-end results are weak, we're taking big steps forward in our transformation with a focus on increased digital user revenues. Which is reason to be optimistic. This, in conjunction with a number of acquisitions and divestments, means we're well-equipped to improve profitability during 2018. In particular, I would like to highlight a few milestones from the year:

FIRSTLY, OUR TWO Swedish maximum-reach

media, TV4 and *Expressen*, both increased advertising revenues and reach. The TV network TV4 had a record year with a sharp increase in digital advertising revenues, while linear advertising revenues also continued to grow. Growth for streaming service TV4 Play contributed to an increase in total reach. News daily *Expressen* increased market share in reach, page views and video, and digital advertising revenues grew, more than compensating for decreases in print advertising.

SECONDLY, THAT WE'VE succeeded in building further on our digital subscription services at Swedish newspapers *Dagens Nyheter*, *Dagens industri* and HD-Sydsvenskan. After a year of fast customer growth, at the end of 2017 the entire business area News had nearly 200,000 purely digital subscribers. This was a significant contribution to News' year-end results, and important testimony to the willingness of our customers to pay for high-quality journalism, now and in the future.

THIRDLY, IN A number of areas we're moving forward in our work to organically increase digital revenue streams and reduce our dependency on traditional revenues. In addition to

the growth in digital subscribers for News, our book publishers' digital sales are nearing SEK 500 million and our biggest publishing groups, Bonnier Media Deutschland in Germany and Bonnierförlagen in Sweden had strong years, yet again. Digital audiobook service BookBeat has some 70,000 users. Our Nordic online retailer the Adlibris Group continued to grow and has ambitious growth plans for the future, driven by expansion into new product categories, which informed our decision to put it into its own business area starting in 2018. Our Swedish paid streaming service C More has grown substantially during 2017, doubling the number of its subscribers and for the third year in a row, had the greatest growth in the Swedish subscription video-on-demand (SVOD) market.

C MORE STILL had significant losses, but continued customer growth and distribution of the newly started Sportkanalen channel to 1.5 million Swedish households is expected to contribute to further improvements to C More's financial results for 2018.

WE HAVE MADE a number of interesting strategic acquisitions during 2017. In particu-

lar, I would like to highlight our acquisition of Fastighetsnytt and the German book publishing company Münchner Verlagsgruppe (MVG). Fastighetsnytt is a unique successful and profitable Swedish real estate industry news and event company. And MVG is a data-driven and fast-moving book publishing group, also with an unusually strong profit margin. Along with these companies performing extremely well, I'm also convinced that we will benefit from their skills and experience in our continued transformation.

AT THE END of the year, we made deals to sell Evoke Gaming, the Malta-based gaming company, as well our remaining shares in multi-channel network United Screens, both of which were concluded at the beginning of 2018. These acquisitions and divestments will together contribute positively to our financial results for 2018.

“Our steps forward in 2017 give us every opportunity to improve our profitability in 2018.”

BASED ON OUR strategic plans for 2015-2020, we will continue to develop Bonnier from a marked long-term perspective, with an ambition to build a group that is strong and well-positioned for the future. Our steps forward in 2017 give us every opportunity to improve our profitability in 2018.

OUR BUSINESS AREAS

For Books, 2017 was a year of contrasts, where above all the German and Swedish publishers

continued to perform strongly, while physical retail had a challenging year. On the publishing side, the two biggest publishing groups, Bonnier Media Deutschland in Germany and Swedish Bonnierförlagen, had strong publication lists together with growth in digital as well as physical book sales – and continued good profitability. The U.K.-based Bonnier Publishing wrestled with profitability problems as the result of rapid growth, which had a strong negative effect on the financial results.

WITHIN PHYSICAL RETAIL, the substantial increase in e-commerce sales hit bookstores hard, where Pocket Shop, Academic Bookstore in Finland and Tanum in Norway altogether had a negative effect on the financial results.

THE ADLIBRIS GROUP continued to grow, however the end of 2017 was marked by logistics problems that affected profits. The EBITA for Books was SEK 105 million (427 million).

FOR BROADCASTING, EBITA amounted to SEK 423 million (373 million). The businesses continued their digital transformation at a rapid pace. As part of a continued reorganization, news production unit Nyhetsbolaget's employees moved back to TV4/Bonnier Broadcasting and TV4 and C More continued to work ever more closely together. The reorganization also resulted in some 90 positions being made redundant.

SWEDISH TV NETWORK TV4 had a record year, both in revenues and reach. Successes with streaming service TV4 Play, which had 3.8 million registered users, resulted in a significant increase in digital advertising

revenues, and even advertising sales for linear TV increased. The record results are a consequence of recent years' investments in Swedish high-quality content in all genres. Despite a slowdown in linear TV viewership, the total reach for TV4 increased thanks to TV4 Play's strong growth, a rise that was well-received by advertisers.

PAY SERVICE C MORE increased both in streaming (SVOD) and digital TV revenues, and it was the fastest growing SVOD service in Sweden for the third year in a row. During the year, C More released its first original drama series and also launched a completely new sports channel, Sportkanalen, and a new OTT sports package. The financial results were somewhat improved compared to the previous year, but the company continues to experience significant losses.

FINLAND'S MTV CONTINUED to have challenges, with a very tough macro-economic market, where advertising investments continue to fall and consequentially profits. The investments of MTV in Finnish high-quality content continued to result in viewer successes, and now 2 million registered users for MTV's ad-financed streaming service. During the year, MTV also launched C More as a pay SVOD service in Finland.

BUSINESS TO BUSINESS had an EBITA of SEK 131 million (164 million). The business area, which comprises B2B media and digital B2B services, increased revenues slightly during 2017. The decrease in profits is due to investments in new products and launches in new markets. The biggest single initiative

during 2017 was the continued rollout of digital learning portal Clio Online on the Swedish market. During 2017, a complete product portfolio of subject portals geared toward Swedish middle schools was launched, an addition to the existing products for secondary schools. Deximed, a digital clinical decision support tool for general practitioner physicians based on the Swedish Medibas and Norwegian NEL models, was launched in Germany. In January 2017, 49.9 percent of ownership in the Danish business daily *Børsen* was sold to JP/Politikens Hus. At the beginning of 2018, Bjarne Corydon, former Danish Finance Minister, took over the helm as editor-in-chief and CEO for *Børsen*.

MAGAZINES INCLUDES THE Swedish Bonnier Magazines & Brands (formerly Bonnier Tidskrifter), the Copenhagen-based Bonnier Publications and the U.S.-based Bonnier Corporation. The EBITA for the business area was SEK 167 million (267 million). The two Nordic publishers had a strong year and contributed positive results in line with expectations. The U.S. market has been undergoing very substantial change, and Bonnier Corporation couldn't repeat its successes from 2016. In the beginning of 2018, a significant restructuring as instituted at Bonnier Corporation, which included as well some 120 positions made redundant. Despite growth for digital and adjacent services, the traditional core business of print magazines continues to dominate. One-time costs for the restructuring at Bonnier Corporation and Bonnier Magazines & Brands' move to the Bonnier Building in Stockholm affected the financial results.

NEWS HAD A strong year with EBITA of SEK

303 million (294 million), which for Swedish news daily *Dagens Nyheter*, business daily *Dagens industri* and Southern Swedish newspaper group HD-Sydsvenskan was marked by successful digital subscription initiatives. Swedish news daily *Expressen* continued to show strong growth in digital ad sales, following initiatives to increase reach and consequent strong rise in traffic.

FOR HD-SYDSVENSKAN, which was integrated fully into the rest of the business area, the year saw considerable financial improvements. The group had its best year financially since *Helsingborgs Dagblad* and *Sydsvenskan* merged. In conjunction with the integration, business area head Anders Eriksson took over as CEO for HD-Sydsvenskan.

IN JANUARY, FASTIGHETSNYTT was acquired. The company, Sweden's leading media and event business within real estate, had a very strong first year as a part of Bonnier.

THE VALUE OF Growth Media's investment portfolio increased considerably during the year. The investment business, which goes by the name Bonnier Ventures, comprised a portfolio of nine growth companies, and the holdings in these companies were valued at SEK 550 million at the end of 2017, which reflects an internal rate of return (IRR) of 28 percent.

BONNIER VENTURES MADE several additional investments during the year in connection with new investment rounds in companies including Acast, Natural Cycles, Refunder and FLX. Both Natural Cycles and Acast experienced very substantial increases in their value. Bonnier Ventures also made a new investment

in DaisyGrace, a content-driven omni-channel company, as well as engaged financially with the U.S.-based startup platform Betaworks and the Nordic fintech player NFT Ventures. Two exits were concluded shortly after the end of the year, in the form of the wholly owned Evoke Gaming, which was sold to Malta-based Mr Green, as well as all shares in the partially owned multi-channel network United Screens, which was sold to the German RTL.

FILM AND TV production and distribution company SF Studios, the business area's largest company, improved its profits and had strong growth in its production business, both in terms of number of TV productions as well as in the feature film segment. The movie *Borg vs McEnroe* won a number of industry awards, both in Sweden and internationally. *Solsidan*, a co-production of FLX with distribution by SF Studios, ended the year with very strong ticket sales.

THE EBITA FOR the business area was SEK -106 million (-205 million). From Jan. 1, 2018 SF Studios will be reported as its own business area, which means the Bonnier Ventures will be a business area purely with an investment focus and IRR as primary performance indicator.

WRITE-OFFS: During 2017, Bonnier had goodwill write-offs of SEK 1.6 billion, of which the majority (SEK 1.3 billion) are related to the acquisitions of the magazine business in the U.S. during 2006-2008. The write-offs do not affect liquidity.

OTHER COMPRISES COMMON group activities and functions. This had an effect of SEK -397 million (-589 million) on EBITA in 2017.

NET SALES BY BUSINESS AREA [SEK M]

	2017	2016
Books	8,098	7,690
Broadcasting	7,497	7,397
Business to Business	1,130	1,111*
Growth Media	1,806	1,806
Magazines	3,441	3,782
News	4,890	4,679*
Other	-1,121	-973*
Bonnier AB total	25,740	25,492

OPERATING PROFIT (EBITA) BY BUSINESS AREA [SEK M]

	2017	2016
Books	105	427
Broadcasting	423	373
Business to Business	131	164*
Growth Media	-106	-205
Magazines	167	267
News	303	294*
Other and eliminations	-397	-589
Bonnier AB total	625	731

EARNINGS [SEK M]

	2017	2016
Net sales	25,740	25,492
EBITA	625	731
EBIT	-1,423	630**
Net financial items	-212	-239
Earnings before tax	-1,635	391**
Earning after tax	-2,239	276**

*The comparative figures have been adjusted for a transfer of business from segment Business to News.

**The comparative figures have been adjusted due to a reevaluation of the group's accounting of intangible assets and inventory relating to development costs and publishing rights and correction of errors.

A look at Bonnier's past in five epics

History of a Family Company



1804-1890

The Emigrants:

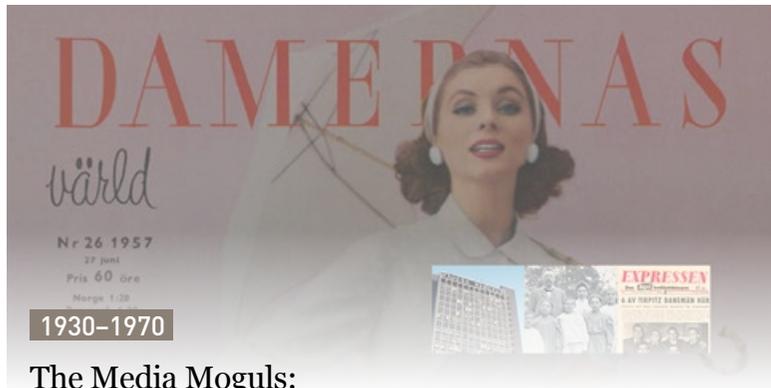
It all starts in Denmark when Gerhard Bonnier leaves Dresden to open a book-stall in Copenhagen in 1804. Continues in Sweden, where son Albert Bonnier opens his own book publishing company in 1837. And grows as books become hugely popular in Sweden.



1890-1930

The Entrepreneurs:

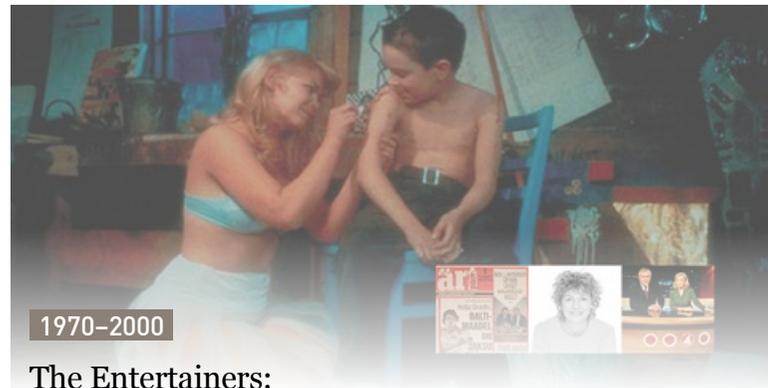
More than just book publishers, Albert Bonnier and son Karl Otto Bonnier become established as major forces in Swedish culture with their stable of important writers. August Strindberg. Selma Lagerlöf. Ellen Key. They're patrons of the arts. People of influence.



1930-1970

The Media Moguls:

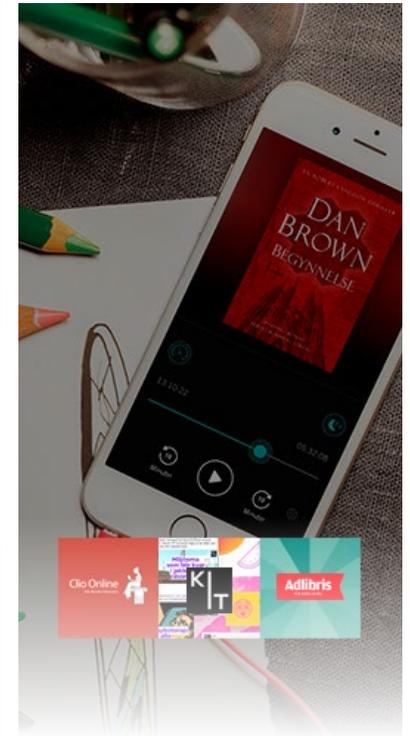
The age of mass media begins. And Karl Otto's sons Tor, Åke and Kaj are in the thick of it. Acquiring a majority stake in news daily Dagens Nyheter. Buying magazine house Åhlén & Åkerlund. Founding the anti-Nazi newspaper *Expressen*. Defending free speech.



1970-2000

The Entertainers:

Branching out from its base in books, newspapers and magazines, Bonnier jumps into entertainment. Commercial network TV4. Cinema chain SF Bio. Opportunities abound in an environment of deregulation and expansion. But it's not without challenges.



2000 and onward

The Innovators:

Digitalization. Transformation – first slowly and carefully, then in full force. Consumers call the shots as media becomes digital and social, and competition is global. Technology has a place at the table with companies such as BookBeat, Clio Online and KIT.

Board

The Bonnier Board of Directors



Carl-Johan Bonnier
Chairman of the Board



Peder Bonnier
Member of the Board



Christian Caspar
Member of the Board



Maria Curman
Member of the Board



Arne Karlsson
Member of the Board



Kerstin Mogull
Member of the Board



Jens Müffelmann
Member of the Board



Martin Harris
Member of the Board
Employee Representative



Mikael Falk
Member of the Board
Employee Representative



Sara Stenman
Member of the Board
Employee Representative

Group

Bonnier Executive Management



Tomas Franzén
CEO, Bonnier AB



Anki Ahrnell
CDO, Bonnier AB



Casten Almqvist
*Head of Business Area,
Broadcasting*



Lars Dahmén
*Head of Business Area,
Magazines*



Anders Eriksson
*Head of Business Area,
News*



Niklas Hydén
*Head of Group Program Management
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Karmo Kaas-Lutsberg
*Head of Business Area,
Business to Business*



Jan Lund
*Head of Strategy, Corporate
Development and M&A*



Håkan Rudels
*Head of Business Area,
Books*



Ulrika Saxon
*Head of Business Area,
Ventures and Film Studios*



Göran Öhrn
CFO, Bonnier AB

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