



Investment AB Kinnevik

INTERIM REPORT 1 JANUARY - 30 JUNE 2015

HIGHLIGHTS

Q2 2015

Operating Companies' Performance

- Communication: Millicom organic revenue growth of 9% in local currency (excluding UNE), Tele2 mobile end-user service revenue growth of 7%
- Fashion e-commerce: Zalando's preliminary sales up 33-35% with an EBIT margin of 3-5%, Global Fashion Group confirms strong growth momentum
- Rocket Internet continued to launch new business models, announced high growth and improving profitability in its "Proven Winners" companies

Kinnevik Investment Activity

- Net investments during the second quarter SEK 318m (SEK 489m during the first half of 2015)
- Investments focused on existing companies:
 - Global Fashion Group EUR 41m (SEK 382m) with a maximum commitment of EUR 65m
 - BIMA USD 16m (SEK 129m)
 - Quikr USD 20m (SEK 170m) in secondary shares in July
- Divestment of remaining 7.4% stake in Transcom for SEK 159m
- Net investment guidance increased from SEK 1.0bln to 1.0-1.5bln for the full year 2015

Kinnevik Financial Position

- Net asset value of SEK 87.3bln or SEK 315 per share, up 4% in the quarter
- Strong balance sheet, net cash of SEK 0.5bln (excluding cash in operating subsidiaries and before investment in Quikr and further participation in Global Fashion Group's ongoing financing)

KINNEVIK IN SUMMARY

	30 June 2015	31 Mar 2015	31 Dec 2014	30 June 2014
Net asset value, SEKm	87 315	83 940	84 370	68 509
Net asset value per share, SEK	314.79	302.64	304.21	247.00
Share price, SEK	262.10	288.10	255.20	284.80
Net cash (debt) excluding operating subsidiaries, SEKm	482	-112	130	1 096

SEKm	1 Apr-30 June 2015	1 Apr-30 June 2014	1 Jan-30 June 2015	1 Jan-30 June 2014
Net profit	5 354	4 139	4 906	4 822
Net profit per share, SEK	19.30	15.02	17.69	17.52
Change in fair value of financial assets	2 489	2 204	2 261	3 072
Dividends received	2 977	2 350	2 984	2 350
Investments	559	140	1 154	616
Divestments	241	33	665	111

Investment AB Kinnevik (publ)
Skeppsbron 18
P.O. Box 2094
SE-103 13 Stockholm, Sweden

Reg no 556047-9742
Phone +46 8 562 000 00
Fax +46 8 20 37 74
www.kinnevik.se

The figures in this report refer to the second quarter 2015 unless otherwise stated. Figures shown within brackets refer to comparable period in 2014.



Chief executive's review

Dear Shareholders,

During the second quarter of 2015, we continued to execute our strategy. Key strategic initiatives of our investee companies included Millicom strengthening its presence in Eastern Africa through the acquisition of Zanzibar Telecom, Tele2 launching a platform for M2M/IoT solutions, and MTG entering e-sports. We continued to focus resources on our most promising companies, leading funding rounds in Global Fashion Group ("GFG") and BIMA, and acquiring additional shares in Quikr, a transaction that was finalized in July.

Results for the Second Quarter

Kinnevik's Net Asset Value ("NAV") increased by SEK 3.4bln corresponding to SEK 12 per share. During the quarter, we also received SEK 3.0bln in dividends (1.6bln in ordinary dividends and SEK 1.4bln in extraordinary dividend from Tele2), and paid out SEK 2.0bln in dividends to our shareholders. The value of our Communication investments was down by 3% but up 4% pro forma for dividends paid. Our E-commerce & Marketplaces businesses grew 11% in value driven by the strong performance in Zalando as well as increased valuations of Quikr and Avito. During the period, our share price decreased by 9% to SEK 262.10 (down 7% pro forma for the dividend paid) ending the quarter at a 17% discount to our reported NAV. On 21 July, the share price had rebounded to SEK 283.50.

Our largest investee companies continued to deliver healthy underlying revenue growth rates and resilient margins.

Millicom showed organic revenue growth of 9% in local currency (excluding UNE) with an operating margin of 33%. During the quarter, Millicom acquired an 85% stake in Zanzibar Telecom, the leading mobile telecom operator on the island of Zanzibar with 1.7 million subscribers across Zanzibar and mainland Tanzania. Tanzania is Millicom's biggest market in Africa and the acquisition of Zanzibar Telecom is a natural fit for Millicom's strategy, strengthening the company's overall position in Tanzania.

Within Tele2, the group continued to perform well with mobile services revenues growth of 7%. In Kazakhstan, customer net intake continued its positive momentum and in the Netherlands, Tele2 expanded its customer base for the fifteenth consecutive quarter. During the quarter, Tele2 also launched an innovative IoT Portal enabling integration of IoT solutions in one single interface, further strengthening the product offering and development within M2M/IoT.

Zalando grew 33-35% in the second quarter with expected EBIT margin of 3-5%. In June it was also announced that Zalando will be joining the MDAX index of German mid cap stock, the German Stock Exchange's second most important equity index.

Rocket Internet continued to launch new business models including Righthome, an online real estate broker and CarSpring, a marketplace with home delivery of pre-owned cars.



GFG agreed to acquire Kanui and Tricae, two Brazilian online fashion businesses, in a share for share transaction. The two businesses are showing good momentum and have a natural fit with GFG's Latin American business Dafiti. We are very pleased with the progress that the management team of GFG has made in terms of capturing the substantial growth opportunities in its 27 markets.

Avito continued its strong performance with 42% sales growth in the first quarter 2015 and an EBITDA margin of 46%.

MTG's operating revenues and margins remained stable with healthy underlying performance across markets. On 1 July MTG announced the acquisition of 74% of Turtle Entertainment, the world's largest e-sports company. E-sports is fast becoming one of the most watched and followed global sports categories amongst younger audiences and the acquisition is a milestone in MTG's digital development. MTG also increased its shareholding in Splay, the number one multi-channel network in Scandinavia and acquired 51% in Zoomin.TV, Europe's largest multi-channel network. On 6 July, MTG announced that CTC had received a non-binding offer for the purchase of a 75% interest in its business operations. CTC's Board of Directors has appointed a Special Committee of independent directors to review and evaluate the offer.

Investment Management Activities

Activity in the private investing market remained strong, with the number of financing rounds in the Internet sector globally increasing by 10% year on year. The amount of capital raised in the private markets is also increasing at a rapid pace with private market funding in the Internet sector of USD 41.4bln in the last 12 months, a 59% increase year on year.

Against this market backdrop, Kinnevik's investment activity remained prudent and in line with our strategy to focus resources on our existing companies including GFG, BIMA and Quikr (in July).



At GFG, Kinnevik is currently leading a EUR 150m financing round, in which we will participate at least pro rata to our ownership.

We invested USD 16m in a USD 38m internal financing round in BIMA, the leading provider of mobile-delivered insurance in emerging markets. The capital will be used to fuel new market entries and the scaling of BIMA's new business models including an innovative 'Pay-As-You-Go' micro insurance offering as well as a range of mobile-delivered health services.

In July 2015, Kinnevik acquired an additional USD 20m interest in Quikr through a secondary share purchase which resulted in Kinnevik becoming the largest shareholder in Quikr. The purchase is consistent with Kinnevik's goal of owning more of its highest potential companies and reflects the continued progress of Quikr in what remains an exciting market.

In April we divested the remaining 7.4% stake in Transcom for a total consideration of SEK 159m or SEK 84 per Transcom share.

For the quarter, net investments amounted to SEK 318m, or a total of SEK 489m for the first six months of 2015.

Financial Position and Revised Investment Guidance

We ended the quarter with a net cash position of SEK 0.5bln (excluding cash in the operating subsidiaries), or SEK 0.1bln on a pro forma basis including the investment in Quikr and assuming full participation in the ongoing GFG financing round. During the quarter, our investee companies raised more than SEK 4bln and they are now even better capitalized. Our financial position thus remains strong and we are increasing our guidance for net investments in 2015 from SEK 1.0bln to SEK 1.0-1.5bln.

Given the current macroeconomic environment, we continue to execute our long-term strategy of building a select number of leading digital consumer businesses whilst maintaining a "no or low leverage" policy.

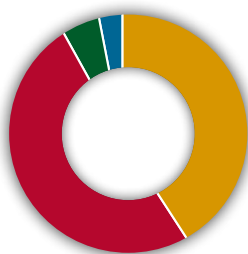
Lorenzo Grabau
CEO and President

Operational review

Kinnevik is an entrepreneurial investment group focused on building digital consumer brands in four sectors: Communication, E-commerce & Marketplaces, Entertainment, and Financial Services. Barely half of our investments by value are in the Communication and Entertainment sectors, where we own leading stakes in large, established, cash flow ge-

nerating businesses. The balance of our investments is predominantly invested in the E-commerce & Marketplaces and Financial Services sectors, where we work in partnership with founders and managers to create new, fast-growing businesses, that invest significant amounts of capital to build market-leading positions in a short time frame.

SELECTED BRANDS



■ **Communication**
42%* (50%)

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TELE2

■ **E-commerce & Marketplaces**
51%* (39%)

Page 5

zalando

Avito

ROCKETINTERNET

GLOBAL FASHION GROUP

Qliro Group

■ **Entertainment**
4%* (7%)

Page 11

MTG

IROKO
IT'S YOUR TIME

■ **Financial Services & Other**
3%* (4%)

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BAYPORT
FINANCIAL SERVICES

BIMA
PROTECTING THE FUTURE OF YOUR COMPANY

* Share of Kinnevik's gross asset value as of 30 June 2015 (figures within brackets refer to 30 June 2014)



Communication

Communication makes up 42% of Kinnevik's investments. Kinnevik's mobile companies Millicom and Tele2 have in total 72 million subscribers in 21 countries in Europe, CIS, Latin America and Africa. Both Millicom and Tele2 are focusing on providing superior services as customers increasingly use their phones to access various data services.

[For more information >](#)

MILLICOM

- Organic revenue growth amounted to 9% in local currency excluding UNE (-1.3% in reporting currency) and the EBITDA margin amounted to 33%.
- Strategy refocused on monetizing the digital lifestyle, cable expansion and profitable growth.

Key data (USD m)*	Apr-June		Jan-June	
	2015	2014	2015	2014
Revenue	1 704	1 447	3 413	2 852
EBITDA	561	479	1 126	957
EBIT	223	224	450	460
Net profit/loss	-99	186	-81	2 523
Millions of mobile subscribers			59.3	52.3

* Figures include UNE from August 2014.

TELE2

- Strong mobile end-user services revenue for the group, growing by 7% to SEK 3,324m (3,094).
- EBITDA growth in mobile Tele2 Sweden of 8% to SEK 843m (777).
- Tele2 Netherlands expanded its customer base for the fifteenth consecutive quarter, reaching a total mobile customer base of 841,000 (768,000).

Key data (SEK m)*	Apr-June		Jan-June	
	2015	2014	2015	2014
Revenue	6 611	6 343	13 122	12 495
EBITDA	1 393	1 470	2 821	2 832
EBIT	593	791	1 295	1 751
Net profit	309	821	826	1 406
Millions of mobile subscribers			12.9	11.9

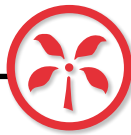
* Figures refer to continuing operations.

Millicom is a leading international telecommunications and media company dedicated to providing digital lifestyle services to the emerging markets in Latin America and Africa. Millicom also offers mobile financial services, various information services, entertainment, e-commerce, lead generation, and payments.

[For more information >](#)

Tele2 is one of Europe's leading telecommunications operator offering mobile services, fixed broadband and telephony, data network services, cable TV and content services. Tele2 is focusing its strategy to become a value champion, i.e. to offer its customers the combination of low price, superior customer experience, and a challenger culture.

[For more information >](#)



E-commerce & Marketplaces

E-Commerce & Marketplaces makes up 51% of Kinnevik's investments. E-commerce is one of the strongest global growth trends in the world economy, and it is based on a permanent shift in consumer behaviour.

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ZALANDO

- Based on preliminary figures Zalando grew group revenues by 33-35% in the second quarter of 2015 to EUR 727-738m (546). Zalando expects to achieve an adjusted EBIT of EUR 22-37m (35) in the quarter, corresponding to an adjusted EBIT margin of 3-5% (6.4%). In the first half of 2015, Zalando achieved revenues of EUR 1,370-1,381m (1,047), growing by 31-32%. Adjusted EBIT is expected to come in at EUR 51-66m, a margin of around 4% at the mid-point of the range.
- The Zalando share was included in the MDAX Index of Germany's 50 most important mid-cap companies.
- Zalando launched the Gap brands across its markets and announced a partnership with Karl Lagerfeld, whereby it will sell a sport-influenced collection exclusively available on Zalando.

Zalando operates online fashion shops in 15 European markets. The company is today the largest standalone pure online fashion player by net sales in Europe. Key drivers for Zalando's success include its expertise in fashion, retail and technology.

[For more information >](#)

ROCKET INTERNET

- Strong top line growth and margin improvement for Rocket Internet's "Proven Winners" in the first quarter of 2015 compared to the first quarter of 2014.
- Delivery Hero, in which Rocket Internet via its recently formed Global Online Takeaway Group holds a 38.5% stake, completed a third party funding round that values the company at EUR 2.8bln, representing a 35% increase relative to the total amount invested by Rocket.
- Launches of six new businesses year to date.

Rocket Internet is a company that incubates and develops e-commerce and other consumer-oriented online companies.

[For more information >](#)



GLOBAL FASHION GROUP

- GFG received a EUR 32m investment from existing shareholders Tengelmann Ventures and Verlinvest in April. In connection with the funding round GFG also announced the appointment of Romain Voog as CEO and Nils Chrestin as CFO.
- GFG further received an additional EUR 150m investment led by Kinnevik and Rocket Internet. Separately, GFG agreed to a share-for-share acquisition of Kanui, a sports and outdoor e-commerce business, and Tricae, a kids and baby e-commerce company, both active in Brazil. The two businesses will be integrated into Dafiti, GFG's market leader in Latin America.
- Aggregate cash balance amounted to EUR 132m at 31 March 2015.

DAFITI

- Continued improvements in market position and share.
- The acquisition of Kanui and Tricae will improve scale, with pro forma 2014 revenues approximately 30% higher, and strengthen sports and kids categories.
- Further optimization of assortment including private label.

Key data (BRL m)	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Revenue	147	106	592
% Growth	39%	-	41%
Gross profit	49	38	222
% Margin	33%	36%	38%
Adjusted EBITDA ¹	-65	-47	-208

BRL 1 = SEK 2.67 as at 30 June 2015

LAMODA

- Further optimization of brand portfolio as well as private label with focus on margin improvement.
- Investments in fulfilment center to accommodate increase in orders shipped.
- Rolled out same day delivery in Moscow.
- Further execution on overhead cost reduction.

Key data (RUR m)	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Revenue	3 205	1 644	9 496
% Growth	95%	-	84%
Gross profit	1 361	545	3 879
% Margin	42%	33%	41%
Adjusted EBITDA ¹	-555	-600	-2 158

RUR 100 = SEK 14.89 as at 30 June 2015

NAMSHI

- Strong growth with significant margin improvements.
- Focus on expanding assortment with local and international brands.
- Continued investments in logistics infrastructure to provide a platform for further growth.

Key data (AED m)	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Revenue	76	23	168
% Growth	225%	-	215%
Gross profit	41	12	91
% Margin	55%	51%	54%
Adjusted EBITDA ^{1,2}	-6	-6	-20

AED 1 = SEK 2.35 as at 30 June 2015

JABONG

- Continued its market leadership in online fashion with high brand recognition and exclusive product lines.
- Successfully extended the delivery service to "next door delivery", enabling customers to pick up packages at nearby shops.
- Implemented real time order tracking feature for customers.
- Continued development of marketplace platform with increasing share of derisked inventory.

Key data (INR m)	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Revenue	1 992	1 466	8 114
% Growth	36%	-	136%
Gross profit	-200	-206	1 596
% Margin	-10%	-14%	20%
Adjusted EBITDA ¹	-1 138	-694	-4 540

INR 100 = SEK 13.03 as at 30 June 2015

¹ Adjusted EBITDA excludes expenses related to share based compensation.

² Exchange rate impact on shareholder loans recorded below EBITDA from Q1 2015 and onward. Comparable periods adjusted accordingly.



ZALORA

- Strong growth across all countries and continued market leadership in South East Asia and Australia.
- Re-launched mobile apps for iOS and Android, improving user experience.
- Scaled up the marketplace model, offering a broader set of products.
- Continued investments in infrastructure including warehousing, customer experience, call center, payments and last mile delivery.

Global Fashion Group ("GFG") is the leading emerging markets fashion e-commerce company with operations across 5 regions and 27 countries with a 2.5bln population and addressing a fashion market worth EUR 630bln. GFG offers a wide assortment of over 3,000 leading international and local fashion brands, as well as a selection of internal brands. GFG invests consistently in delivering the best customer experience, including last mile delivery networks where necessary.

[For more information >](#)

Key data (EUR m)	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Revenue	44	-	117
% Growth	-	-	70%
Gross profit	15	-	40
% Margin	35%	-	34%
Adjusted EBITDA ¹	-23	-	-69

¹⁾ Adjusted EBITDA excludes expenses related to share based compensation.



HOME24

- Continued its focus on assortment and private label.
- The launch of a magazine during the quarter demonstrated the importance of curation and of mobile apps.
- Home24 raised EUR 120m in a financing round led by the new investor Baillie Gifford, with additional participation from existing investors at a post-money valuation of EUR 943m.

Key data (EUR m)	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Revenue	60	26	160
% Growth	128%	-	73%
Gross profit	21	11	59
% Margin	36%	42%	37%
Adjusted EBITDA ¹	-20	-6	-49
Cash balance 31 March 2015	10		

Home24 is a leading e-commerce retailer in the Home & Living vertical with a presence in seven European countries and in Brazil. Home24 offers the widest assortment in the industry with more than 130,000 products across several categories.

[For more information >](#)

WESTWING

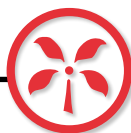
- Continued its strong growth, driven by customer loyalty, marketing, and focus on assortment.
- Pushed technology in mobile platforms.
- Pre-opening of “WestwingNow” in Germany, the permanent assortment shop, was positively received by customers.

Key data (EUR m)	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Revenue	52	33	183
% Growth	55%	-	66%
Gross profit	21	15	79
% Margin	40%	44%	43%
Adjusted EBITDA ¹	-19	-12	-47
Cash balance 31 March 2015	32		

Westwing is a leading international Home & Living e-commerce shopping club offering a curated selection of home décor, interior design and furniture products. Westwing covers 15 markets across Europe, Brazil and Russia.

[For more information >](#)

¹⁾ Adjusted EBITDA excludes expenses related to share based compensation.



LAZADA

- Lazada further established itself as the main gateway to Southeast Asia for international brands and merchants, and its focus on cross-border sales continued to drive assortment growth.
- Successfully continued its shift towards marketplace, from roughly 25% of sales in the first quarter of 2014 to roughly 75% in the first quarter of 2015.
- Best-in-class apps for iOS and Android as well as innovative mobile marketing resulted in sales from mobile now representing more than 50% of total sales.

Key data (USD m)	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Revenue	59	30	154
% Growth	98%	-	104%
Gross profit	10	2	22
% Margin	16%	7%	14%
Adjusted EBITDA ¹	-74	-22	-147
Cash balance 31 March 2015	323		

Launched in 2012, Lazada is the leading online shopping and selling destination for assorted merchandise in South-east Asia, with presence in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

[For more information >](#)

LINIO

- Focused efforts on growing the marketplace led to high growth in net merchandise value (NMV) and close to 50% marketplace share of sales in the first quarter of 2015.
- Continued international expansion and growth in recently launched countries.
- Introduction of loyalty initiatives and fulfilment by Linio for third parties.

Key data (EUR m)	Jan-Mar 2015	Jan-Mar 2014	Full year 2014
Revenue	20	12	62
% Growth	60%	-	29%
Gross profit	3	1	5
% Margin	17%	11%	8%
Adjusted EBITDA ¹	-17	-8	-52
Cash balance 31 March 2015	28		

Linio is the leading online general merchandise retailer in Spanish speaking Latin America.

[For more information >](#)

KONGA

- Konga has further grown its marketplace and features thousands of active merchants on the platform.
- Launched self-fulfillment service where sellers can choose to deliver on their own, enabling a wider assortment of goods for sale such as cement, vegetables and cars.

Konga is a leading general merchandise marketplace in Nigeria and ranks as one of the top ten websites in the country. The company was launched in 2012 and has evolved from an inventory only platform to an open marketplace.

[For more information >](#)

QLIRO GROUP

- Qliro Group continued to execute on its growth strategy, and net sales increased by 8% to SEK 1,175m excluding divested operations.
- During the second quarter Nelly was, for the first time, the largest company in the group in terms of sales.
- The roll-out of Qliro Financial Services continued and all the group's platforms now offer Qliro as a payment option.

Key data (SEK m)	Apr-June		Jan-June	
	2015	2014	2015	2014
Net sales *	1 175	1 091	2 372	2 196
EBIT *	-15	-1	-32	-1
Net profit/loss	-11	21	-40	17

* Excluding divested operations and non-recurring items.

Qliro Group is a leading e-commerce company with some of the most well-known and appreciated brands in the Nordic area.

[For more information >](#)

¹⁾ Adjusted EBITDA excludes expenses related to share based compensation.



AVITO

- Economic headwinds prevailed in Russia, but Avito continued to grow strongly during the first quarter 2015.
- The company launched Context, an e-Commerce listings aggregation tool to further grow its advertising revenues.
- Avito has secured most key hires for its effort to further build out its verticals and has seen its dedicated real-estate site Domofond reach significant scale.

Key data (RUR m)	Jan-Mar	Jan-Mar	Full year
	2015	2014	2014
Revenue	1 207	852	4 305
% Growth	42%	-	79%
EBITDA	560	393	2 177
% Margin	46%	46%	51%
Cash balance 31 March 2015 (USD m)	152		

RUR 100 = SEK 14.89 as at 30 June 2015

Avito is the largest online classified platform in Russia in terms of visitors and number of ads, distancing itself from its competitors.

[For more information >](#)

QUIKR

- Quikr has made a number of senior additions to the team helped by the relocation to Bangalore as the company continues to focus on verticalisation and build out monetisation.
- Kinnevik made a further USD 20m investment in July 2015 as part of a secondary share purchase that resulted in Kinnevik becoming the largest shareholder in the company.

SALTSIDE

- The company successfully launched a new technology platform including mobile apps that have witnessed rapid adoption in local markets.
- A number of services initiatives are being piloted, including delivery and identity verification, to build greater trust on the platform.

Quikr, Saltside, Wimdu, and Yell are all companies operating online marketplaces in emerging markets in Asia, Africa, CIS, and Latin America. The business model is attractive due to the high profitability that can be achieved once a market leading position has been established. A leading position creates high barriers of entry for competitors, while also improving customer experience. Economies of scale are substantial, as the model does not require the companies to hold inventory and tie up capital when growing.

[For more information >](#)



Entertainment

Entertainment makes up 4% of Kinnevik's investments. Kinnevik's entertainment companies have operations in a total of 40 markets and has the largest broadcasting footprint in Europe in MTG.

[For more information >](#)

MODERN TIMES GROUP MTG

- Revenue and EBIT were stable compared to the second quarter 2014, with an EBIT margin of 11%.
- CTC Media received a USD 200m non-binding offer for 75% of business operations and MTG's holding was reclassified as 'discontinued operations'.
- Strategic investments of approximately SEK 1.2bln after the end of the quarter in three digital businesses - Turtle Entertainment, Splay and Zoomin.TV.

Key data (SEK m)	Apr-June		Jan-June	
	2015	2014	2015	2014
Revenue	4 155	4 109	7 855	7 706
EBIT *	452	473	594	591
Net profit/loss	-58	307	260	466

* Figures refer to continuing operations and non-recurring items.

Modern Times Group MTG is a leading international entertainment broadcasting group with the largest geographical footprint of TV and radio operations in Europe.

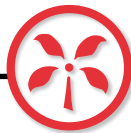
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IROKO

- The company significantly strengthened its tech capabilities in both its Lagos and New York offices.
- Iroko continued to scale its distribution business by partnering with most major TV operators across the continent as well as several telecom operators such as Millicom and Vodafone.

Iroko is a subscription based video on demand platform with the most comprehensive catalogue of African content across the globe. Iroko has subscribers in over 100 countries.

[For more information >](#)



Financial Services & Other

Financial Services & Other makes up 3% of Kinnevik's investments. The Financial Services companies are focused on consumer-directed financial services on emerging markets in Africa, Asia, and Latin America.

[For more information >](#)

BAYPORT

- Bayport raised USD 149m in new equity capital from the Public Investment Corporation (PIC) for a minority stake in the business.
- The Overseas Private Investment Corporation (OPIC), the American Government's development finance institution, has approved up to USD 250m debt financing for Bayport to expand its financial services offering to customers in Africa and Latin America.
- The Bayport South Africa leadership team has been strengthened with Bryan Arlow and John White assuming the roles of CEO and COO respectively, moving across from their previous roles in the Bayport Group.
- On Bayport South Africa's new website, customers can now apply for a loan of up to ZAR 10,000, an online process that can be completed in only two minutes.
- Bayport Ghana launched its first insurance product, the "Bayport Funeral Plan".

Bayport provides unsecured credit and other financial services to the formally employed mass market in Africa and Latin America.

[For more information >](#)

MILVIK/BIMA

- BIMA raised USD 38.4m of funding commitments from existing investors and Kinnevik participated with its pro rata share of USD 15.5m.
- The Pakistani market was entered in partnership with BIMA's new MNO partner Warid, and accident insurance will be made available to Warid's customers.
- BIMA added 1.5 million insurance subscribers during the second quarter and brought the total registered insurance subscriber base to 18 million.

Milvik offers, under the brand name BIMA, affordable and uniquely designed life and health insurance products via mobile phones.

[For more information >](#)



Financial review

BOOK AND FAIR VALUE OF ASSETS

SEK m	Book value 2015 30 June	Fair value 2015 30 June	Fair value 2015 31 Mar	Fair value 2014 31 Dec	Fair value 2014 30 June	Change 2015 ²⁾	Total return 2015
Millicom	23 136	23 136	23 553	22 039	23 099	1 097	9%
Tele2	13 062	13 062	13 970	12 865	10 650	197	17%
Total Communication	36 198	36 198	37 523	34 904	33 749	1 294	
Zalando	21 731	21 731	16 896	19 030	12 481	2 701	14%
Rocket Internet	7 970	7 970	9 270	10 620	1 828	-2 650	-25%
Global Fashion Group ¹⁾	6 299	6 299	5 928	6 092	5 464	207	
Home and Living (incl. Home24, Westwing)	1 464	1 464 ³⁾	1 491	1 305	1 213	159	
Qliro Group	522	522	673	737	629	-215	-29%
Other E-commerce ¹⁾	1 688	1 688 ³⁾	1 669	1 272	1 645	416	
Avito	2 902	2 902	2 597	2 298	2 190	604	
Quikr	1 321	1 321	814	425	265	896	
Other Marketplaces	443	645 ³⁾	729	1 075	641	-430	
Total E-commerce & Marketplaces	44 340	44 542	40 067	42 854	26 356	1 688	
MTG	2 999	2 999	3 566	3 358	3 878	-359	-6%
Other	431	505 ³⁾	474	567	855	-62	
Total Entertainment	3 430	3 504	4 040	3 925	4 733	-421	
Bayport	1 440	1 440	1 140	1 032	891	408	
Transcom	-	-	159	494	533	-494	18%
Black Earth Farming	179	179	215	151	295	28	18%
Other	932	970	908	880	856	90	
Total Financial Services & Other	2 551	2 589	2 422	2 557	2 575	32	
Gross asset value	86 519	86 833	84 052	84 240	67 413	2 593	
Net cash excl. cash in operating subsidiaries	993	993	420	130	1 096	863	
Debt, unpaid investments/divestments	-511	-511	-532	0	0	-511	
Total Equity/Net asset value	87 001	87 315	83 940	84 370	68 509	2 945	
Net asset value per share		314.79	302.64	304.21	247.00	10.58	
Closing price, class B share, SEK		262.10	288.10	255.20	284.80	6.90	

¹⁾ Comparable periods adjusted for transactions related to the merger of Global Fashion Group.

²⁾ Including investments/divestments.

³⁾ For split see page 15.



DIVIDEND AND CAPITAL STRUCTURE

In the second quarter, Kinnevik received dividends from a number of its investee companies, and paid a dividend to Kinnevik's shareholders as per the table below.

Kinnevik's part of dividend paid from listed holdings		Amount (SEK m)
Millicom	USD 2.64 per share	823
Tele2	SEK 4.85 per share	657
MTG	SEK 11.00 per share	149
Total ordinary dividends		1 629
Tele2, extra dividend	SEK 10.00 per share	1 355
Total dividends from listed holdings		2 984
Dividend paid to Kinnevik's shareholders		
Ordinary dividend	SEK 7.25 per share	2 011
Total dividend paid		2 011

As at 30 June 2015 Kinnevik had a net cash position of SEK 0.5bln, excluding cash in the operating subsidiaries and after deducting debt for unpaid investments. On a pro forma basis, including the Quikr investment in July and assuming full participation in the ongoing Global Fashion Group financing, the net cash position is SEK 0.1bln.

Kinnevik aims to pay an annual dividend growing in line with dividends received from investee companies and the cashflow generated from investment activities. Kinnevik will make share buybacks when its shares trade at a significant discount to their intrinsic value, as perceived by Kinnevik, and the company has net cash (taking into consideration its dividend expectations, net investment plan and operating cost).

KINNEVIK'S ORGANISATION

Anders Kronborg, who joined Kinnevik in May 2012 as Chief Operating Officer, has decided to leave Kinnevik but will continue to work with one or more of Kinnevik's investee companies.

INVESTMENT ACTIVITY

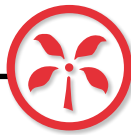
Investment (SEK m)	Apr-June 2015	Jan-June 2015
Global Fashion Group	382	382
Quikr	-	346
Westwing	-	186
BIMA	129	129
Saltside	-	41
Other	48	70
Total	559	1 154
Divestment (SEK m)	Apr-June 2015	Jan-June 2015
Transcom	159	580
Foodpanda	80	80
Other	2	5
Total	241	665
Net Investments (SEK m)	318	489

During the second quarter, Kinnevik committed to invest a minimum of EUR 41m into Global Fashion Group and USD 16m into BIMA. Other minor investments accumulated to SEK 48m, and total investments hence amounted to SEK 559m in the second quarter.

In the quarter, Kinnevik also divested its remaining interest in Transcom and the consideration thereof, net after broker's fees, amounted to SEK 159m. Kinnevik further divested its entire stake in Foodpanda for a cash consideration of EUR 8.5m, realizing an average annual return (IRR) of 58%. Other divestments accumulated to SEK 2m, and total divestments hence amounted to SEK 241m in the second quarter.

Kinnevik's net investments (gross investments net of divestments) in the second quarter amounted to SEK 318m, and has amounted to SEK 489m during the first two quarters of 2015.

For the full year 2015 Kinnevik has revised its investment guidance and now expects its net investments to amount to SEK 1.0-1.5bln.



VALUATION OF UNLISTED ASSETS

Investment (SEK m)	Kinnevik ownership	Accumulated net invested amount	Fair value 30 June 2015	Change in fair value and dividends received ⁵		Valuation method
				Apr-June 2015	Jan-June 2015	
Global Fashion Group ^{1,2}	26%	3 866	6 299	-11	-175	Sales multiple
Home & Living						
Home24 ⁴	18%	804	809	-9	-34	Sales multiple
Westwing ⁴	17%	361	592	15	27	Sales multiple
Other	Mixed	102	63	-41	-69	Mixed
Other E-commerce						
Lazada ^{1,3}	9%	502	525	-1	-31	Sales multiple
Linio ^{1,3,4}	9%	150	161	-1	-22	Sales multiple
Konga	34%	209	405	82	113	Latest transaction
Other ^{1,2}	Mixed	841	597	-61	-31	Mixed
Marketplaces						
Avito	31%	438	2 902	305	604	EBITDA multiple
Quikr	18%	708	1 321	507	550	Latest transaction
Saltside	61%	195	195	-	-	Latest transaction ⁶
Wimdu ⁴	27%	367	370	-	-11	Sales multiple
Other	Mixed	151	80	-4	44	Mixed
Total E-commerce & Marketplaces		8 694	14 319	781	965	
Iroko	18%	53	68	-2	3	Latest transaction
Metro	100%	1 026	382	-	-113	DCF
Other	Mixed	58	55	-2	-1	Mixed
Total Entertainment		1 137	505	-4	-111	
Bayport	24%	467	1 440	300	408	Latest transaction
Milvik/BIMA	39%	213	347	-9	12	Latest transaction
Rolnyvik	100%	174	250	-	-	DCF
Other	Mixed	597	340	-4	5	Mixed
Total Financial Services & Other		1 451	2 377	287	425	
Total Unlisted Assets		11 282	17 201	1 064	1 279	

¹⁾ Accumulated net invested amounts and comparable periods have been adjusted pro forma for transactions related to the merger of Global Fashion Group.

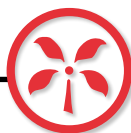
²⁾ Accumulated net invested amounts include the value of share distributions received from Rocket Internet.

³⁾ Lazada and Linio are reported on separate lines following the spin-off of shares in Lazada from BigCommerce.

⁴⁾ Ownership not adjusted for employee stock option plans and employee equity at subsidiary level.

⁵⁾ Including change in fair value and dividends received relating to subsidiaries that are consolidated into the group's financial statements.

⁶⁾ Equivalent to invested amount in the company's respective share classes.



VALUATION OF UNLISTED ASSETS

At the end of June, Kinnevik's unlisted assets were valued at a total of SEK 17,201m, to be compared with an accumulated invested amount (net after dividends received) of SEK 11,282m. The unrealised change in fair value amounted to a profit of SEK 1,064m in the second quarter (including changes in the assessed value of subsidiaries when calculating net asset value), as specified in the table on the previous page.

For the purpose of the establishment of Global Fashion Group ("GFG") in 2014, its five operating companies Dafiti, Jabong, Lamoda, Namshi and Zalora were valued according to their last respective funding round, resulting in a valuation of EUR 2.7bln for the combined entity. In March 2015, GFG raised an additional EUR 32m in primary capital at the same valuation, leading to a post-money valuation of EUR 2.8bln. In June 2015, the shareholders of GFG agreed upon a further EUR 150m primary capital raise at a post-money valuation of EUR 2.9bln. Since the merger was all in stock, the March funding round was relatively small and sourced from existing investors, and the June funding round was agreed on a pro rata basis between the major existing investors, neither have been used as sole basis for determining the fair value of Kinnevik's shares in GFG. The valuation has instead been based on a multiple of 3.4x the company's latest publicly available 12 months' net sales (ending on 31 March 2015). The applied sales multiple represents a 17% premium to GFG's listed peers, in consideration of GFG's superior growth rate. The valuation of Kinnevik's aggregate shareholding in GFG implies a EUR 2.7bln valuation for the company as a whole.

In addition to GFG, sales multiple valuations have been applied for the companies listed in the table below. The valuations have been based on the respective company's latest publicly available 12 months' net sales (ending on 31 March 2015), as opposed to previous quarters where the latest available figures as per the reporting date have been applied. The sales multiples for the companies' listed peers have been relatively stable during the second quarter.

Consistent with the continued positive development in Home24 and Westwing, the peer group's average sales multiple has been left unadjusted for Home24 at 1.8x and marginally discounted downwards for Westwing to 1.7x when assessing the fair value of Kinnevik's shareholding in the respective company.

Company	30 June 2015 *	31 Mar 2015 *	Adjusted multiple **
GFG	3.4	-	Yes
Home24	1.8	1.6	No
Westwing	1.7	1.6	Yes
Lazada	2.1	2.0	No
Linio	1.5	1.5	No
Wimdu	2.5	2.5	Yes

* Sales multiple, latest publicly available 12 months historical sales.

** Sales multiple has been adjusted as per 30 June 2015 to reflect factors such as profitability and growth rate. See Note 5 for further details.

Lazada and Linio are continuing their shift from a purely inventory based business model into a marketplace model, where third party products are sold on the companies' platforms. Revenues from this model only includes the fees Lazada and Linio charge third party merchants. To reflect the ongoing shift in business model in the method of valuing each company, the average trading multiples of two different peer groups have been applied in proportion to the revenue contribution of each business model. The weighted average multiple applied on the respective company's latest publicly available 12 months' net revenue (ending on 31 March 2015) was 2.1x for Lazada and 1.5x for Linio.

The valuation of Avito has as in the previous quarter been based on the average trailing EBITDA multiple of a group of comparable companies. As at 30 June 2015, an EBITDA multiple of 22.9x was applied on the company's latest publicly available 12 months EBITDA (ending on 31 March 2015). The EBITDA multiple applied in the previous quarter was 21.7x. The valuation results in a total equity value of RUB 62.2bln compared with RUB 55.9bln as at 31 March 2015. The increase in value is explained by the company's continued strong performance, an increase in the applied multiple, and a stable Russian ruble.

The valuation of Quikr has been based on the value implied by transactions made in secondary Quikr shares with various preferential rights in July 2015 at a valuation of USD 900m. The transactions hence occurred after the balance sheet day, but were known to Kinnevik as per 30 June 2015. The size of the transactions, approximately 6% of the company's diluted share capital, is considered sufficiently large to be applied to Kinnevik's entire shareholding in Quikr.

The valuation of Konga has been based on the latest funding round in the company in June 2015, in which Kinnevik did not participate. The participating shareholder acquired more than 50% of the company's diluted share capital as a result of the funding round. To adjust for Kinnevik's non-controlling interest, a discount has been applied to the valuation implied by the funding round in assessing the fair value of Kinnevik's shareholding.

For Bayport and Milvik/BIMA, the valuations as at 30 June 2015 have been based on the latest transaction at arm's length. For each of these companies, the latest transaction at arm's length consists of financing rounds, with participation from existing and/or new investors.



FAIR VALUE AND IMPLIED VALUE IN LATEST TRANSACTIONS PER 30 JUNE 2015

Investment (SEK m)	Valuation in latest transaction	Implied value Kinnevik's stake	Fair value Kinnevik's stake	Difference	Nature of latest transaction
Global Fashion Group *	26 910	6 868	6 299	569	New share issue
Home24	8 716	1 551	809	742	New share issue
Westwing	4 433	733	592	141	New share issue
Lazada	9 245	875	525	350	New share issue
Linio	2 446	230	161	69	New share issue
Avito	11 709	3 681	2 902	779	Sale of warrants
Quikr	7 467	1 321	1 321	-	Sale of secondary shares
Saltside	940	572	195	377	New share issue
Bayport	5 941	1 440	1 440	-	New share issue
BIMA	1 146	461	347	114	New share issue
Iroko	385	68	68	-	New share issue
Other E-Commerce & Marketplaces	Various	1 999	1 515	484	New share issues
Other Financial Services	Various	128	119	9	New share issues
Other Entertainment	Various	437	437	-	Various
Other	Various	471	471	-	Various
Total		20 835	17 201	3 634	

* Does not include the contribution of Kanui and Tricae.

In a number of Kinnevik's unlisted investee companies, shares have been issued or transacted at price levels that exceed Kinnevik's recognized assessed fair values. Newly issued shares may have higher preference over an investee company's assets in the event of a liquidation or sale than Kinnevik's shares have, may represent a small share of an investee company's share capital, and may be directed solely to existing shareholders. Transactions in secondary shares may also represent a small share of an investee company's share capital or otherwise not be reflective of the value of an investee company as a whole. Kinnevik therefore does not

necessarily consider these price levels as the most relevant base in assessing the fair values in Kinnevik's accounts.

As specified in the table above, the total difference between the valuations implied by the latest transactions and the fair values in Kinnevik's books amounted to SEK 3.6bln applied to Kinnevik's shareholdings as at 30 June 2015, whereof Kinnevik's E-Commerce & Marketplaces portfolio represented SEK 3.5bln.

For further information about valuation principles and assumptions, please see Note 5.

TOTAL SHAREHOLDER RETURN AND IRR

The Kinnevik share's average annual total return

Past 30 years	17%
Past 10 years	19%
Past 5 years	20%
Past 12 months	-6%

Total return is calculated on the assumption that shareholders have reinvested all cash dividends and dividends in kind into the Kinnevik share.

Average annual return (IRR)

	1 year	5 years
Communication	16%	7%
E-commerce & Marketplaces	62%	46%
Entertainment	-23%	-10%
Financial services & Other	18%	16%
Total portfolio	31%	14%

IRR is based on fair values at the beginning and end of the respective period, includes cash and non-cash dividends and is calculated on a SEK gross basis.



CONDENSED CONSOLIDATED INCOME STATEMENT (SEK M)

	Note	2015 1 Apr- 30 June	2014 1 Apr- 30 June	2015 1 Jan- 30 June	2014 1 Jan- 30 June	2014 Full year
Change in fair value of financial assets	5	2 489	2 204	2 261	3 072	19 494
Dividends received	6	2 977	2 350	2 984	2 350	2 350
Revenue		295	309	585	643	1 245
Cost of goods sold and services		-132	-132	-277	-325	-571
Selling and administration costs		-250	-244	-489	-510	-1 057
Other operating income		6	9	12	16	57
Other operating expenses		-3	-364	-145	-423	-637
Operating profit/loss		5 382	4 132	4 931	4 823	20 881
Financial net		-26	2	-15	-2	-27
Profit/loss after financial net	4	5 356	4 134	4 916	4 821	20 854
Tax		-2	5	-10	1	9
Net profit/loss for the period		5 354	4 139	4 906	4 822	20 863
Of which attributable to:						
Equity holders of the Parent company		5 356	4 168	4 910	4 862	20 891
Non-controlling interest		-2	-29	-4	-40	-28
Net profit/loss per share before dilution		19.31	15.03	17.70	17.53	75.33
Net profit/loss per share after dilution		19.30	15.02	17.69	17.52	75.27
Average number of shares before dilution		277 375 383	277 339 097	277 370 221	277 332 164	277 343 257
Average number of shares after dilution		277 478 088	277 532 413	277 482 977	277 553 316	277 529 845

Consolidated earnings for the second quarter

The change in fair value of financial assets, including dividends received, amounted to SEK 5,466m (4,554) for the second quarter of which SEK 4,409m (loss of 775) was related to listed holdings and 1,057m (5,329) was related to unlisted holdings, see note 5 and 6 for further details.

Consolidated earnings for the first half year

The change in fair value of financial assets, including dividends received, amounted to SEK 5,245m (5,422) for the first half year of which SEK 3,856m (202) was related to listed holdings and a profit of SEK 1,389m (5,220) was related to unlisted holdings, see note 5 and 6 for further details.

Other operating expenses includes an impairment of intangible fixed assets in Metro of SEK 141m.



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (SEK M)

	2015 1 Apr- 30 June	2014 1 Apr- 30 June	2015 1 Jan- 30 June	2014 1 Jan- 30 June	2014 Full year
Net profit/loss for the period	5 354	4 139	4 906	4 822	20 863
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to profit and loss					
Translation differences	-27	41	-12	16	11
Cash flow hedging					
-gains/losses during the period	3	-14	-2	-29	-47
Total items that will be reclassified to profit and loss	-24	27	-14	-13	-36
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-24	27	-14	-13	-36
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5 330	4 166	4 892	4 809	20 827
Total comprehensive income for the period attributable to:					
Equityholders of the Parent Company	5 344	4 193	4 909	4 844	20 853
Non-controlling interest	-14	-27	-17	-35	-26

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT (SEK M)**

	Note	2015 1 Apr- 30 June	2014 1 Apr- 30 June	2015 1 Jan- 30 June	2014 1 Jan- 30 June	2014 Full year
Dividends received	6	2 977	1 400	2 984	1 400	1 400
Cash flow from operating subsidiaries operations		-40	62	-128	4	-76
Cash flow from operating costs within investment operation		-42	-58	-87	-97	-185
Cash flow from operations before interest net and income taxes		2 895	1 404	2 769	1 307	1 139
Interest, received		3	1	6	12	17
Interest, paid		-10	-9	-22	-20	-44
Income taxes, paid		0	0	0	0	-7
Cash flow from operations		2 888	1 396	2 753	1 299	1 105
Acquisition of subsidiaries		-23	-7	-23	-7	-7
Investments in financial assets		-541	-177	-651	-835	-1 574
Sale of shares and other securities		242	37	763	32	61
Other		-1	0	-3	-5	-70
Cash flow from investing activities		-323	-147	86	-815	-1 590
Change in interest bearing loans		-9	27	7	31	48
Dividend paid to equity holders of the Parent company		-2 011	-1 941	-2 011	-1 941	-1 941
Contribution from holders of non-controlling interest		0	0	289	0	10
Other		0	-45	0	-55	-5
Cash flow from financing activities		-2 020	-1 959	-1 715	-1 965	-1 888
Cash flow for the period		545	-710	1 124	-1 481	-2 373
Cash and short term investments, opening balance		2 173	3 196	1 594	3 967	3 967
Cash and short term investments, closing balance		2 718	2 486	2 718	2 486	1 594

SUPPLEMENTARY CASH FLOW INFORMATION

Investments in financial assets	5	-521	-63	-1073	-532	-1 342
Non-cash investments		0	0	0	0	71
Current period investments, not yet paid		511	0	511	0	0
Prior period investments, paid in current period		-531	-114	-89	-303	-303
Cash flow from investments in financial assets		-541	-177	-651	-835	-1 574



CONDENSED CONSOLIDATED BALANCE SHEET (SEK M)

	Note	2015 30 June	2014 30 June	2014 31 Dec
ASSETS				
Fixed assets				
Intangible fixed assets		148	398	293
Tangible fixed assets		320	355	335
Financial assets accounted at fair value through profit and loss	5	85 927	66 107	83 259
Other fixed assets		9	48	26
Total fixed assets		86 404	66 908	83 913
Other current assets		427	570	558
Short term investments		1 040	1 763	1 311
Cash and cash equivalents		1 678	723	283
TOTAL ASSETS		89 549	69 964	86 065
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity attributable to equityholders of the Parent Company		87 001	68 174	84 176
Shareholders' equity attributable to non controlling interest		303	8	30
Interest bearing liabilities, long term		1 296	1 264	1 289
Interest bearing liabilities, short term		1	18	9
Non interest bearing liabilities		948	500	561
TOTAL EQUITY AND LIABILITIES		89 549	69 964	86 065



CONDENSED REPORT OF CHANGES IN EQUITY FOR THE GROUP (SEK M)

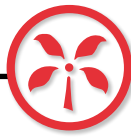
	2015 1 Jan- 30 June	2014 1 Jan- 30 June	2014 Full year
Equity, opening balance	84 176	65 319	65 319
Total comprehensive income for the period	4 892	4 809	20 827
Contribution from non-controlling interest	289	-	10
Acquisition from non-controlling interest	-35	-	-
Dividend paid to owners of non-controlling interest	-	-	-5
Dividend paid to shareholders of the Parent company	-2 011	-1 941	-1 941
Effect of employee share saving programme	-7	-5	-4
Equity, closing amount	87 304	68 182	84 206
Equity attributable to the shareholders of the Parent Company	87 001	68 174	84 176
Equity attributable to non-controlling interest	303	8	30

KEY RATIOS

	Note	2015 30 June	2014 30 June	2014 31 Dec
Debt/equity ratio		0.01	0.02	0.02
Equity ratio		97%	97%	98%
Net cash/(Net debt) for the Group	7	1 027	1 253	402

DEFINITIONS OF KEY RATIOS

Debt/equity ratio	Interest-bearing liabilities including interest-bearing provisions divided by shareholders' equity.
Equity ratio	Shareholders' equity including non-controlling interest as percentage of total assets.
Net cash/(net debt)	Interest bearing receivables, short-term investments and cash and cash equivalents less interest-bearing liabilities including interest-bearing provisions and net debt unpaid investments/divestments.
Total shareholder return	Change in market price and dividends paid assuming that shareholders have reinvested all cash dividends and dividends in kind into the company's share.
Internal rate of return, IRR	Return based on fair value at the beginning and end of the respective period, includes cash dividends and dividends in kind and is calculated on a SEK basis.



Notes for the Group (SEK m)

NOTE 1 ACCOUNTING PRINCIPLES

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. This report was prepared in accordance with the Annual Accounts Act and IAS 34, Interim Financial Reporting.

The accounting principles and calculation methods applied in this report are the same as those described in the 2014 Annual Report.

NOTE 2 RISK MANAGEMENT

The Group's financing and management of financial risks is centralized within Kinnevik's finance function and is conducted on the basis of a Finance policy established by the Board of Directors. The Group's operational risks are primarily evaluated and managed within the particular business area and then reported to the Kinnevik Board.

The Group has established a model for risk management, the aims of which are to identify, control and reduce risks. The identified risks and how they are managed are reported to the Kinnevik Board on a quarterly basis.

Kinnevik is exposed to financial risks mainly in respect of changes in the value of the stock portfolio, changes in market interest rates, exchange rate risks, liquidity and refinancing risks and counterparty risks.

The Group is also exposed to political risks since the companies Kinnevik has invested in have a substantial part of their operations in emerging markets such as Latin America, Sub-Saharan Africa, Russia and Eastern Europe.

For a more detailed description of the Company's risks and risk management, refer to the Board of Directors' report and Note 26 of the 2014 Annual Report.

NOTE 3 RELATED PARTY TRANSACTIONS

Related party transactions for the period are of the same character as the transactions described in the 2014 Annual Report.



NOTE 4 CONDENSED SEGMENT REPORTING

	2015 Jan-June			2014 Jan-June		
	Operating subsidiaries	Investment operation	Total	Operating subsidiaries	Investment operation	Total
Change in fair value of financial assets		2 261	2 261	6	3 066	3 072
Dividends received	0	2 984	2 984		2 350	2 350
Revenue	582	3	585	643		643
Cost of goods and services sold	-277		-277	-325		-325
Selling and administration costs	-397	-92	-489	-412	-98	-510
Other operating income and expenses	-134	1	-133	-408	1	-407
Operating profit/loss	-226	5 157	4 931	-496	5 319	4 823
Financial net	9	-24	-15	-2	0	-2
Profit/loss after financial net	-217	5 133	4 916	-498	5 319	4 821

Operating subsidiaries includes Metro, Vireo Energy, Rolnyvik, Saltside Technologies, AVI and G3 Good Governance Group.

NOTE 5 FINANCIAL ASSETS ACCOUNTED AT FAIR VALUE THROUGH PROFIT AND LOSS

Kinnevik's unlisted holdings are valued using IFRS 13 and the International Private Equity and Venture Capital Valuation Guidelines, whereby a collective assessment is made to establish the valuation method that is most suitable for each individual holding. Firstly, it is considered whether any recent transactions have been made at arm's length in the companies. For new share issues, consideration is taken to if the newly issued shares have better preference to the company's assets than earlier issued shares if the company is being liquidated or sold. For companies where no or few recent arm's length transactions have been performed, a valuation is conducted by applying relevant multiples to the company's historical and forecast key figures, such as sales, profit, equity, or a valuation based on future cash flows. When performing a valuation based on multiples, consideration is given to potential adjustments due to, for example, difference in size, historic growth, profitability and geographic market between the current company and the group of comparable companies.

The valuation process for Kinnevik's unlisted holdings is run by the financial department and based on financial information reported from each holding. The correctness of the financial information received is ensured through continuous contacts with management of each holding, monthly reviews of the accounts, as well as internal audits performed by auditors engaged by Kinnevik. Prior to decisions being made about the valuation method to be applied for each holding, and the most suitable peers with which to compare the holding, the financial department obtains information and views from the investment team, as well as external sources of information. Information and opinions on applicable methods and groups of comparable companies are also obtained periodically from well-renowned, valuation companies in the market. The results from the valuation is discussed firstly with the CEO and the Chairman of the Audit Committee, following which a draft is sent to all members of the Audit Committee, who each quarter analyze and discuss the outcome before it is approved at a meeting attended by the company's external auditors.

Below is a summary of the valuation methods applied in the accounts as per 30 June 2015:

Company	Valuation method	Valuation assumptions
Global Fashion Group ("GFG")	The valuation is based on the average sales multiple of a group of comparable companies (Zalando, Asos and Yoox), adjusted with a 17% premium in consideration of GFG's higher growth rate. The valuation considers preferential rights that shares have in case of a liquidation or sale of the company.	12 months historical sales (ending 31 March 2015) Multiple: 3.4x
Home24	The valuation is based on the average sales multiple of a group of comparable companies (including Amazon, Zalando and AO World). The valuation considers preferential rights that shares have in case of a liquidation or sale of the company.	12 months historical sales (ending 31 March 2015) Multiple: 1.8x
Westwing	The valuation is based on the average sales multiple of a group of comparable companies (including Amazon, Zalando and AO World). The average sales multiple of the peer group has been reduced for factors such as lower profitability and company size. The valuation considers preferential rights that shares have in case of a liquidation or sale of the company.	12 months historical sales (ending 31 March 2015) Multiple: 1.7x



Company	Valuation method	Valuation assumptions
Lazada	<p>The valuation is based on the average sales multiple of a group of comparable companies.</p> <p>Lazada generates revenue from two business models, inventory and marketplace. Accordingly, two different peer groups are used in the valuation. The peer group for the inventory model includes Amazon, Qliro Group, JD.com and AO World. The peer group for the marketplace model includes MercadoLibre and eBay.</p> <p>The valuation considers preferential rights that shares have in case of a liquidation or sale of the company.</p>	<p>12 months historical sales (ending 31 March 2015)</p> <p>Multiple: 2.1x</p>
Linio	<p>The valuation is based on the average sales multiple of a group of comparable companies.</p> <p>Linio generates revenue from two business models, inventory and marketplace. Accordingly, two different peer groups are used in the valuation. The peer group for the inventory model includes Amazon, Qliro Group, JD.com and AO World. The peer group for the marketplace model includes MercadoLibre and eBay.</p> <p>The valuation considers preferential rights that shares have in case of a liquidation or sale of the company.</p>	<p>12 months historical sales (ending 31 March 2015)</p> <p>Multiple: 1.5x</p>
Konga	<p>The valuation is based on the latest transaction at arm's length, a fundraising in Q2 2015. The fundraising resulted in a change of control. The transaction value has therefore been adjusted downward to reflect a control premium. The adjusted transaction value for all shares in Konga is USD 143m (post money).</p>	
Avito	<p>The valuation is based on the average EBITDA multiple of a group of comparable companies (including Autohome, Infoedge India and Yandex).</p>	<p>12 months historical EBITDA (ending 31 March 2015)</p> <p>Multiple: 22.9x</p>
Quikr	<p>The valuation is based on the latest transaction at arm's length; secondary share transactions in July 2015 (i.e. post balance sheet date). The transaction valued all shares in Quikr at USD 900m.</p>	
Wimdu	<p>The valuation is based on sales multiples for a group of comparable companies including HomeAway, Priceline, Expedia and TripAdvisor.</p> <p>The average sales multiple in the peer group has been reduced for factors such as lower profitability and company size.</p> <p>The valuation considers preferential rights that shares have in case of a liquidation or sale of the company.</p>	<p>12 months historical sales</p> <p>Multiple: 2.5x</p>
Bayport	<p>The valuation is based on the latest transaction at arm's length; new funding in Q2 2015. The transaction valued all shares in Bayport at USD 716m (post-money).</p>	
Milvik/Bima	<p>The valuation is based on latest transaction at arm's length; new funding in Q3 2014 adjusted for subsequent financing, valuing all shares in Milvik/Bima at USD 104m.</p>	

For the companies in the table above that are valued based on multiples (i.e. Global Fashion Group, Home24, Westwing, Lazada, Linio, Avito and Wimdu), an increase in the multiple by 10% would have increased estimated fair value by SEK 860m. Similarly, a decrease in the multiple by 10% would have decreased estimated fair value by SEK 809m.

When establishing the fair value of other financial instruments, methods that in every individual case are assumed to provide the best estimation of fair value have been used. For assets and liabilities maturing within one year, a nominal value adjusted for interest payments and premiums is assumed to provide a good approximation to fair value.

Information is provided in this note per class of financial instruments that are valued at fair value in the balance sheet, distributed in the levels stated below:

Level 1: Fair value established based on listed prices in an active market for the same instrument.

Level 2: Fair value established based on valuation techniques with observable market data, either directly (as a price) or indirectly (derived from a price) and not included in Level 1.

Level 3: Fair value established using valuation techniques, with significant input from data that is not observable in the market.



CHANGE IN FAIR VALUE OF FINANCIAL ASSETS

	2015 1 Apr- 30 June	2014 1 Apr- 30 June	2015 1 Jan- 30 June	2014 1 Jan- 30 June	2014 Full year
Black Earth Farming	-37	-2	27	-41	-185
Millicom	-417	-1 816	1 097	-1 116	-2 176
MTG	-567	-200	-359	-620	-1 140
Qliro Group	-151	45	-215	-158	-289
Rocket Internet ²⁾	-1 300	-	-2 650	-	2 842
Seamless	-33	-8	-14	-76	-147
Tele2	-908	-217	196	786	3 001
Transcom	3	24	89	28	1
Zalando ²⁾	4 835	-	2 701	-	3 547
Total Listed assets	1 425	-2 175	872	-1 198	5 454
Avito	305	1	604	-108	-
Bayport	300	31	408	32	174
Global Fashion Group ¹⁾	-11	2 571	-175	2 554	2 945
Home24	-9	111	-34	126	150
Iroko	-2	1	3	7	14
Konga	82	6	113	6	41
Lazada ¹⁾	-1	6	-31	-2	110
Linio ¹⁾	-1	-2	-22	-2	10
Milvik/BIMA	-9	4	12	8	96
Quikr	507	11	550	11	64
Rocket Internet ²⁾	-	623	-	609	6 557
Westwing	15	44	27	46	162
Wimdu	-	8	-11	8	20
Zalando ²⁾	-	338	-	345	3 347
Other	-112	626	-55	630	350
Total Unlisted assets	1 064	4 379	1 389	4 270	14 040
Total	2 489	2 204	2 261	3 072	19 494

1) Comparable periods have been adjusted for restructuring relating to merger of Global Fashion Group and spin-off of assets within Big-Commerce.

2) Rocket Internet and Zalando have been reclassified from Unlisted assets to Listed assets as a result of IPOs in October 2014. Changes in fair value up until IPO have been included in Unlisted assets and changes thereafter in Listed assets.



BOOK VALUE OF FINANCIAL ASSETS

	30 June 2015 (listed companies)			2015 30 June	2014 30 June	2014 31 Dec
	Class A shares	Class B shares	Capital/Votes (%)			
Black Earth Farming	51 811 828	-	24.6/24.6	179	295	151
Millicom	37 835 438	-	37.8/37.8	23 136	23 099	22 039
MTG	4 461 691	9 042 165	20.3/48.0	2 999	3 878	3 358
Qliro Group	42 613 642	-	28.5/28.5	522	629	737
Rocket Internet ²⁾	21 716 964	-	13.2/13.2	7 970	-	10 620
Seamless	4 232 585	-	10.1/10.1	34	116	48
Tele2	18 430 192	117 065 945	30.4/47.9	13 062	10 650	12 865
Transcom	-	-	-/-	-	533	494
Zalando ²⁾	78 427 800	-	31.8/31.8	21 731	-	19 030
Total Listed assets				69 633	39 200	69 342
Avito			31/31	2 902	2 190	2 298
Bayport			24/24	1 440	891	1 032
Global Fashion Group ¹⁾			26/26	6 299	5 464	6 092
Home24			18/18	809	805	833
Iroko			18/18	68	43	50
Konga			34/34	405	162	292
Lazada ¹⁾			9/9	525	369	555
Linio ¹⁾			9/9	161	171	184
Milvik/BIMA			39/39	347	118	206
Quikr			21/21	1 321	265	425
Rocket Internet ²⁾			N/A	-	1 828	-
Westwing			17/17	592	263	379
Wimdu			27/27	370	368	381
Zalando ²⁾			N/A	-	12 481	-
Other				1 055	1 489	1 190
Total Unlisted assets				16 294	26 907	13 917
Total				85 927	66 107	83 259

1) Comparable periods have been adjusted for restructuring relating to merger of Global Fashion Group and spin-off of assets within Big-Commerce.

2) Rocket Internet and Zalando have been reclassified from Unlisted assets to Listed assets as a result of IPOs in October 2014.



INVESTMENTS IN FINANCIAL ASSETS

	2015 1 Apr- 30 June	2014 1 Apr- 30 June	2015 1 Jan- 30 June	2014 1 Jan- 30 June	2014 Full year
Qliro Group	-	-	-	-	241
Seamless	-	-	-	-	3
Total Listed assets	-	-	-	-	244
Avito	-	4	-	102	102
Bayport	-	-	-	23	23
Global Fashion Group ¹⁾	382	8	382	39	276
Home24	8	-	10	-	3
Iroko	-	-	15	-	-
Konga	-	-	-	-	95
Lazada ¹⁾	-	-	-	-2	72
Milvik/BIMA	129	-	129	64	64
Quikr	-	-	346	254	362
Westwing	-	-	186	-	-
Wimdu	-	2	-	2	2
Other	2	49	5	50	99
Total Unlisted assets	521	63	1 073	532	1 098
Total	521	63	1 073	532	1 342

1) Comparable periods have been adjusted for restructuring relating to merger of Global Fashion Group and spin-off of assets within Big-Commerce.

CHANGES IN UNLISTED ASSETS (LEVEL 3)

	2015 1 Jan- 30 June	2014 1 Jan- 30 June	2014 Full year
Opening balance	13 917	21 178	21 178
Investments	1 073	532	1 098
Disposals	-85	-111	-195
Distribution of shares in Bigfoot I and Bigfoot II	-	950	950
Reclassifications ¹⁾	-	87	-23 149
Change in fair value ¹⁾	1 389	4 270	14 040
Exchange gain/loss and other	-	1	-5
Closing balance	16 294	26 907	13 917

1) Rocket Internet and Zalando have been reclassified from Unlisted assets to Listed assets as a result of IPOs in October 2014. Changes in fair value up until IPO have been included in Unlisted assets (Level 3).

**NOTE 6 DIVIDENDS RECEIVED**

	2015 1 Apr- 30 June	2014 1 Apr- 30 June	2015 1 Jan- 30 June	2014 1 Jan- 30 June	2014 Full year
Millicom	823	662	823	662	662
Tele2	2 012	596	2 012	596	596
MTG	149	142	149	142	142
Rocket Internet, shares in Bigfoot I and Bigfoot II	-	950	-	950	950
Other	-7*	-	-	-	-
Total dividends received	2 977	2 350	2 984	2 350	2 350
Of which cash dividends	2 984	1 400	2 984	1 400	1 400
Of which ordinary cash dividends	1 629	1 400	1 629	1 400	1 400

* adjustment from first quarter

NOTE 7 INTEREST BEARING ASSETS AND LIABILITIES

Kinnevik's total interest bearing assets amounted to SEK 2,834m as at 30 June 2015. The short term deposits of SEK 1,040m were mainly split between Swedish money market funds with high credit quality with no restrictions on accessibility. The total amount of interest bearing liabilities was SEK 1,297m and including the debt for unpaid investments of SEK 511m, Kinnevik was in a net cash position of SEK 1,027m as at 30 June 2015 (SEK 402m as at 31 December 2014).

Kinnevik's total credit facilities (including issued bonds) amounted to SEK 7,167m as at 30 June 2015 whereof SEK 5,800m related to a revolving credit facility and SEK 1,200m related to a bond. The utilization of the credit facilities was SEK 1,236m. The Group's available liquidity, including interest bearing assets and available unutilized credit facilities, totaled SEK 8,656m as at 30 June 2015 (SEK 7,524m as at 31 December 2014).

	2015 30 June	2014 30 June	2014 31 Dec
Interest bearing long term assets			
Other interest bearing assets	109	49	106
	109	49	106
Interest bearing short term assets			
Short term investments	1 040	1 763	1 311
Cash and cash equivalents	1 678	723	283
Other interest bearing assets	8	0	0
	2 726	2 486	1 594
Total interest bearing assets	2 834	2 535	1 700
Interest bearing long term liabilities			
Liabilities to credit institutions	67	30	70
Capital markets issues	1 200	1 200	1 200
Accrued borrowing cost	-12	-18	-16
Other interest bearing liabilities	41	52	35
	1 296	1 264	1 289
Interest bearing short term liabilities			
Liabilities to credit institutions	1	18	9
	1	18	9
Total interest bearing liabilities	1 297	1 282	1 298
Net interest bearing assets	1 538	1 253	402
Debt, unpaid investments/divestments	511	-	-
Net cash/(Net debt) for the Group including debt unpaid investments	1 027	1 253	402

The outstanding loans carry an interest rate of Stibor or similar base rate with an average margin of 1.8%. All bank loans have variable interest rates (up to 3 months) while financing from the capital markets vary between 1 to 12 months for the loans under the commercial paper program and 5 years fixed for the outstanding bond (as per date of issue).

As at 30 June 2015, the average remaining tenor was 2.4 years for all credit facilities including the bond (excluding one unutilized extension option for one year related to the Group's SEK 5,800m credit facility). As at 30 June 2015, Kinnevik had not provided any security for any of its outstanding loans.



CONDENSED PARENT COMPANY INCOME STATEMENT (SEK M)

	2015 1 Apr- 30 June	2014 1 Apr- 30 June	2015 1 Jan- 30 June	2014 1 Jan- 30 June	2014 Full year
Revenue	2	4	4	9	22
Administration costs	-45	-55	-92	-100	-221
Other operating income	1	0	1	1	27
Operating loss	-42	-51	-87	-90	-172
Dividends received, external	1 973	656	1 973	656	656
Result from subsidiaries	9 592	0	13 092	0	1 414
Result from other financial assets	0	-112	0	-112	-694
Net interest income/expense	-15	109	-24	221	416
Profit/loss after financial items	11 508	602	14 954	675	1 620
Group contribution	-	-	-	-	-649
Profit/loss before taxes	11 508	602	14 954	675	971
Taxes	0	14	0	14	14
Net profit/loss for the period	11 508	616	14 954	689	985
Total comprehensive income for the period	11 508	616	14 954	689	985

CONDENSED PARENT COMPANY BALANCE SHEET (SEK M)

	2015 30 June	2014 30 June	2014 31 Dec
ASSETS			
Tangible fixed assets	3	4	3
Financial fixed assets	57 274	50 155	64 516
Short term receivables	281	37	328
Short term investments	987	1 722	1 284
Cash and cash equivalents	270	439	77
TOTAL ASSETS	58 815	52 357	66 208
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity	57 121	43 888	44 185
Provisions	29	30	29
Long term interest bearing liabilities	1 594	8 317	12 555
Short term liabilities	71	122	9 439
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	58 815	52 357	66 208

The Parent Company's liquidity, including short-term investments and unutilized credit facilities, totalled SEK 7,187m at 30 June 2015 and SEK 7,300m at 31 December 2014. The Parent Company's interest bearing external liabilities amounted to SEK 1,620m (1,209) on the same dates. Investments in tangible fixed assets amounted to SEK 0m (0) during the period.

Distribution by class of shares on 30 June 2015 was as follows:

	Number of shares	Number of votes	Par value (SEK 000s)
Outstanding Class A shares, 10 votes each	42 369 312	423 693 120	4 237
Outstanding Class B shares, 1 vote each	235 021 558	235 021 558	23 502
Class B shares in own custody	377 320	377 320	38
Registered number of shares	277 768 190	659 091 998	27 777

The total number of votes for outstanding shares in the Company amounted at 30 June 2015 to 658,714,678 excluding 377,320 class B treasury shares. During the quarter 30,974 Class B-shares have been delivered to participants in the long term incentive plan from 2012. The Board has authorization to repurchase up to a maximum of 10% of all shares in the Company over 12 months. The Board has not used the authorization during the first half year of 2015. There are no convertibles or warrants in issue.



The Board of Directors and the CEO certify that this undersigned six month interim report provides a true and fair overview of the Parent Company and Group's operations, financial position and performance for the period, and describes the material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, 22 July 2015

Cristina Stenbeck
Chairman of the Board

Anders Borg
Deputy Chairman of the Board

Dame Amelia Fawcett
Deputy Chairman of the Board

Tom Boardman
Member of the Board

Wilhelm Klingspor
Member of the Board

Erik Mitteregger
Member of the Board

John Shakeshaft
Member of the Board

Lorenzo Grabau
CEO and President

REVIEW REPORT

Introduction

We have reviewed the interim report for Investment AB Kinnevik for the period January 1 - June 30, 2015. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices.

The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 22 July 2015

Deloitte AB

Jan Berntsson
Authorized Public Accountant

FINANCIAL REPORTS

Reporting dates for 2015:

23 October Interim Report January-September
February 2016 Year-end release 2015

Kinnevik discloses the information provided herein pursuant to the Securities Market Act (Sw. lagen om värdepappersmarknaden (2007:528)). The information was submitted for publication at 8.00 CET on 22 July 2015.

Kinnevik is an entrepreneurial investment group focused on building digital consumer brands in four sectors: Communication, E-commerce & Marketplaces, Entertainment, and Financial Services. We work in partnership with talented founders and managers to create, invest in and lead fast growing digital businesses both in developed and developing countries.

Kinnevik was founded in 1936 by the Stenbeck, Klingspor and von Horn families.

Kinnevik's shares are listed on Nasdaq OMX Stockholm's list for large cap companies under the ticker codes KINV A and KINV B.