



K I N N E V I K

INTERIM REPORT 1 JANUARY - 30 JUNE 2016

NAV	CHANGE IN NAV Q/Q*
SEK 64.6bn	-2%
INVESTMENTS	NET INVESTMENTS
SEK 534m	SEK 79m
1 YEAR TSR	5 YEAR TSR
-14%	13%

PORTFOLIO COMPANIES' PERFORMANCE

- Zalando's second quarter preliminary revenues grew 24-26% with an EBIT margin of 7.5-9.5%
- Millicom's organic service revenue up 2% with an adjusted EBITDA margin of 36%
- Tele2 net sales up 1% with an EBITDA margin of 16%
- MTG reported sales growth of 4% to SEK 4,328m with a stable EBIT margin

KINNEVIK INVESTMENT ACTIVITIES

- Total investments of SEK 534m in the second quarter, all into existing companies
- EUR 50m second tranche of pre-funding of Global Fashion Group during the second quarter. Total funding round, agreed on 7 July, upsized from EUR 300m to 330m due to strong shareholder interest, with Kinnevik's final participation amounting to EUR 161m
- Divestment of 3.8% stake in Lazada to Alibaba for USD 57m completed in April
- Announcement by Tele2 of a rights issue of approximately SEK 3bn to finance the acquisition of TDC Sweden with expected completion in the fourth quarter of 2016. Kinnevik has committed to subscribe to its pro rata share corresponding to approximately SEK 900m

KINNEVIK FINANCIAL POSITION

- Net Asset Value of SEK 64.6bn (SEK 235 per share), down 1.7% or SEK 1.1bn pro forma for dividends paid, driven by:
 - 1% or SEK 0.8bn decrease in value of the listed investee companies, adjusted for dividends received
 - 2% or SEK 0.3bn decrease in value of the unlisted investee companies
- Net cash position of SEK 0.4bn at the end of the quarter
- SEK 7.1bn returned to shareholders in Q2 (ordinary dividend of SEK 7.75 per share and redemption program of SEK 18 per share)
- New five-year credit facility amounting to SEK 3bn agreed in July

* Pro forma for SEK 7.1bn in ordinary dividends paid and redemption program

SEKm	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Jun 2015
Net Asset Value	64 550	72 735	83 517	87 315
Net Asset Value per share, SEK	234.63	264.39	301.10	314.79
Share price, SEK	198.50	230.30	262.00	262.10
Net cash / (net debt)	354	5 831	7 558	482

SEKm	Q2 2016	Q2 2015	H1 2016	H1 2015	FY 2015
Net profit	-1 100	5 419	-11 331	5 040	1 207
Net profit per share, SEK	-4.04	19.54	-41.05	18.16	4.35
Change in fair value of financial assets	-2 790	2 491	-12 982	2 152	-1 537
Dividends received	1 703	2 984	1 703	2 984	2 984
Investments	534	559	1 686	1 154	1 562
Divestments	455	241	457	665	8 298

Comparative figures for the corresponding periods 2015 are restated due to a change to Investment Entity accounting according to IFRS10. See further note 1.

Chief executive's review

The operating momentum in our companies was strong in the second quarter, with continued growth and largely improving margins across the portfolio. Following our commitment in April to guarantee the new financing in Global Fashion Group, the round was successfully concluded with strong interest from the company's other shareholders and Kinnevik taking a clear leadership role as the largest shareholder. To support Tele2's strategy of strengthening its position in the Swedish B2B market, Kinnevik has committed to subscribe to its pro rata share in a rights issue to finance Tele2's acquisition of TDC Sweden. During the quarter, a number of our companies entered into new partnerships to strengthen their customer proposition and distribution capabilities, and secure long-term growth prospects. In line with our strategy to create shareholder value, we executed a significant capital return during the quarter through the payment of a SEK 2.1bn ordinary dividend as well as a SEK 5bn share redemption program.

KINNEVIK SECOND QUARTER RESULT

During the second quarter of 2016, Kinnevik's Net Asset Value (NAV) decreased SEK 8.1bn from SEK 72.7bn to SEK 64.6bn of which SEK 7.1bn was due to dividends paid and SEK 1.0bn following a reduction in the value of the portfolio. Pro forma for dividends paid, NAV was down 2%. Multiple contraction in the e-commerce sector led the valuation of our E-Commerce & Marketplaces businesses to decline by 14% to SEK 28.8bn with Zalando down 15%. Our Communications investments increased by 9% with Millicom up 16% and Tele2 down 3% (up 21% and 4% respectively, adjusted for dividends). The value of our unlisted companies was reduced by 2% reflecting somewhat lower multiples of our investee companies' listed e-commerce peers. During the quarter, we invested SEK 79m net and paid out SEK 7.1bn to our shareholders through our ordinary dividend as well as the extraordinary dividend in the form of a share redemption program, ending the quarter with a net cash position of SEK 0.4bn.

Our share price decreased by 3% (adjusted for dividends paid) to SEK 198.50 ending the quarter at a 15% discount to our reported NAV. On 21 July, Kinnevik's NAV was SEK 69.4bn or SEK 252 per share, and the Kinnevik share was trading at SEK 218.

SOLID OPERATIONAL PERFORMANCE, NEW PARTNERSHIPS AND CONSOLIDATION

Zalando grew revenues by 24-26% in the second quarter 2016 and significantly improved the EBIT margin to 7.5-9.5%, according to preliminary numbers, compared to 4.1% in the corresponding period 2015. The company had 18.4 million customers at the end of the first quarter and continued to make significant investments in its mobile capabilities. The company also launched a unique strategic partnership with Adidas in June whereby Adidas makes its local stock in Berlin available for free, same-day delivery via Zalando. This pilot is the next step towards Zalando's vision of an integrated com-

merce for its increasingly mobile customer base expecting a single point of contact for all fashion items, no matter where they are.

Global Fashion Group saw continued strong growth across all regions with revenue growth of 25.7% in euros in the first quarter of 2016, as well as an EBIT margin improvement of 17 percentage points to -23.4%. With a stable financial position after the recent funding round, the company can now focus on leveraging its commercial scale and drive profitability improvements through further automatization of warehouses, investments in logistics infrastructure and higher marketing efficiency.

Millicom's organic service revenue was up 2% and the adjusted EBITDA margin was up 1.4 percentage points to 36% as the company focused on improving operational leverage and delivering profitable and responsible growth. During the quarter, the company announced a strategic partnership in Latin America between Tigo and Netflix, the world's leading online television network. Selected residential customers will receive Netflix free for three months while certain Android smartphones will come with pre-loaded giveaway subscriptions via the Netflix app. The two brands have significant synergies in the region where on the one hand, Millicom is offering Netflix fresh opportunities to acquire new subscribers through a new channel and on the other hand, entertainment is essential content for driving subscribers to Millicom's cable and wireless operations.

Tele2 net sales were up 1% with an EBITDA margin of 16% down from 21% in the second quarter of last year as a result of mobile investments in the Netherlands and lower EBITDA in Sweden driven by increased sales and marketing spend. During the quarter, Tele2 announced that it will acquire TDC Sweden to become a stronger player in the strategically important B2B segment. The acquisition will enable Tele2 to build scale and expand its range of services in the B2B market to meet the global trend of large B2B customers demanding a wider range of communication and network services. In addition, the combination of Tele2 and TDC Sweden is expected

to unlock significant value creation from synergies.

MTG reported sales growth of 4% to SEK 4,328m with stable margins during the second quarter. New partnerships with distributors were announced to enable MTG to leverage its content offering and offer even higher reach for advertisers. In June, MTG and Telenor signed a multi-year agreement for the broader distribution of MTG's TV channels on Telenor's networks across the Nordic region. Telenor is the biggest network operator in the region and has 1.9 million TV subscribers.

Quikr continued to build a highly localised platform serving everyday needs of tens of millions of Indian users. This strategy is centred around the creation of five categories that each have their own management, user experience, product features and monetisation tools, while drawing on the strengths of a shared brand and technology. This should allow the company to sharply increase monetisation while reducing costs.

INVESTMENT MANAGEMENT ACTIVITIES

The funding round in Global Fashion Group was agreed in July. Following our commitment in April to underwrite two thirds of the EUR 300m capital raise, it received broad support from current GFG shareholders and was subsequently increased to EUR 330m. Kinnevik's final participation amounted to EUR 161m and with an ownership stake of 35% post completion, we are now the clear lead shareholder in the company.

Net investments in the quarter amounted to SEK 79m, with investments amounting to SEK 534m including a second shareholder loan to GFG (pre-funding the subsequent equity participation), and divestments amounting to SEK 455m including the partial sale of Lazada.

Net investments for the first half year amounted to SEK 1.2bn. When adding committed funding to be paid out in the second half of the year including the final GFG participation, net investments are expected amount to around SEK 2bn and we expect to stay within our net investment guidance of SEK 2-3bn for the year. In addition, we have committed to subscribe to our pro rata share of Tele2's SEK 3bn rights issue in connection with its acquisition of TDC Sweden, which is expected to be completed in the fourth quarter of 2016.

FINANCIAL POSITION

At the end of the quarter, our net cash position amounted to SEK 0.4bn. Our commitment to our financial targets remains firm, and we believe that the combination of our strong consumer franchises and our solid balance sheet will continue to support our strategy of value creation.

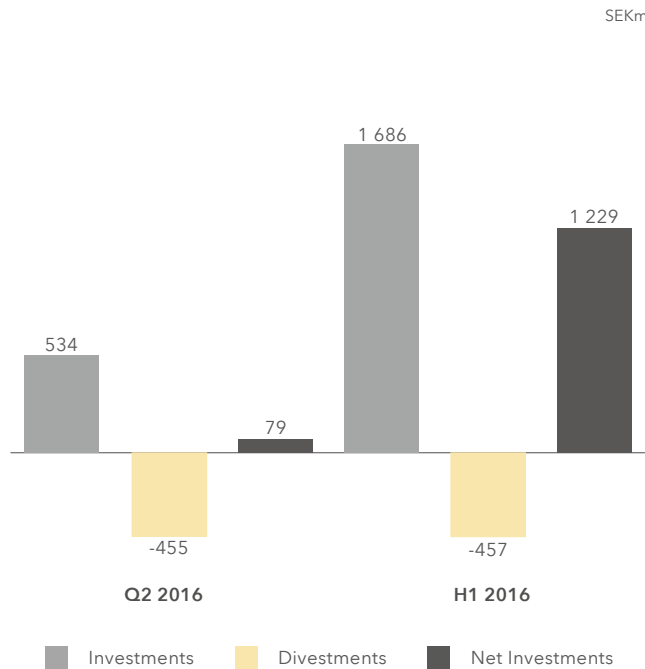
Lorenzo Grabau
Chief Executive Officer

Kinnevik in summary

Kinnevik is an entrepreneurial investment group focused on building digital consumer brands in primarily four sectors: E-Commerce & Marketplaces, Communication, Entertainment and Financial Services. With our focus on digital consumer businesses, the Kinnevik companies and its digital brands provide services to 230 million people in over 80 markets. In markets where supply once was limited, we give people something extremely valuable - choice.

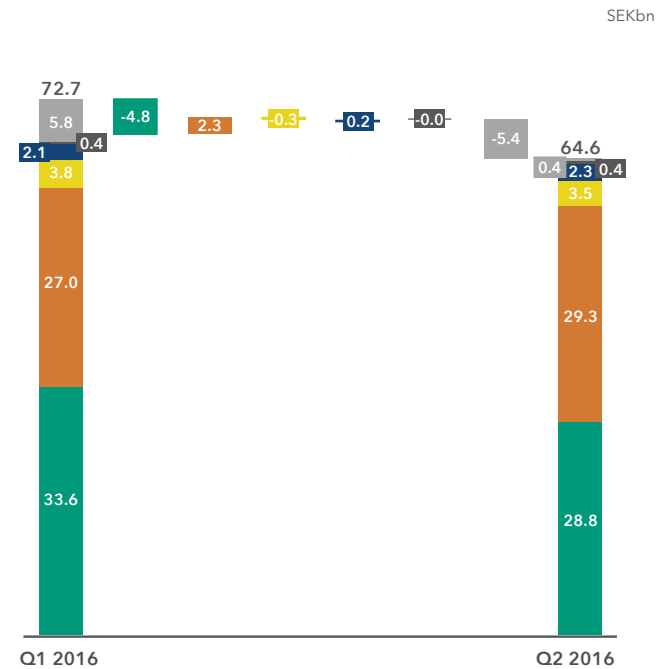
INVESTMENT ACTIVITY

SEKm



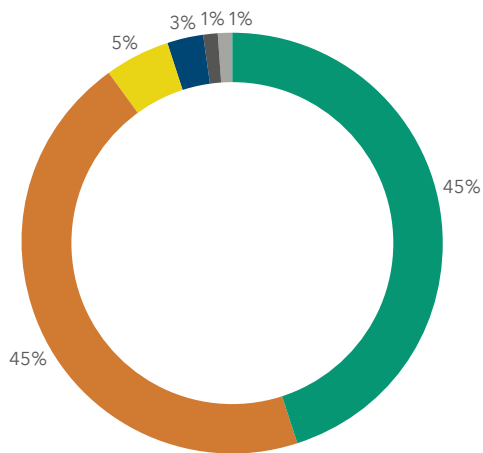
PORTFOLIO DEVELOPMENT

SEKbn

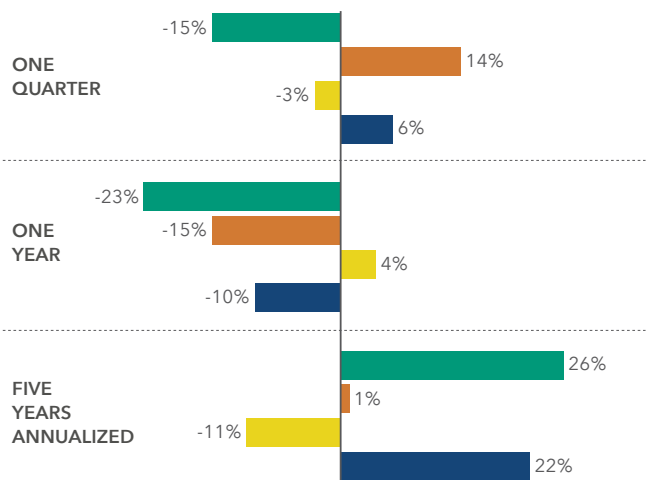


Including dividends paid during Q2 2016 in the amount of SEK 7.1 bn.

PORTFOLIO COMPOSITION



PORTFOLIO RETURN RATES



One and five-year returns are annualized internal rates of return (IRR). The returns are based on fair values at the beginning and end of the respective period, includes cash and non-cash items and is calculated on a SEK gross basis.

■ E-Commerce & Marketplaces
 ■ Communication
 ■ Entertainment
■ Financial Services
 ■ Other
 ■ Net Cash

Net Asset Value

SEKm	Fair value 2016 30 Jun	Fair value 2016 31 Mar	Fair value 2015 31 Dec	Fair value 2015 30 Jun	Total return 2016 ¹
Zalando	17 683	20 907	25 943	21 731	-32%
Global Fashion Group	2 676	2 527	4 067	6 299	-34%
Global Fashion Group, loan	938	472	-	-	-
Rocket Internet	3 593	4 938	5 627	7 970	-36%
Qliro Group	394	379	513	522	-23%
Home & Living E-Commerce ²	565	943	1 250	1 401	-57%
Other E-Commerce ²	1 147	1 568	1 028	1 751	94%
Avito	-	-	-	2 902	-
Quikr	1 527	1 461	1 519	1 321	1%
Other Marketplaces ²	230	381	505	645	-56%
Total E-Commerce & Marketplaces	28 753	33 576	40 452	44 542	-30%
Millicom	19 410	16 788	18 479	23 136	10%
Tele2	9 898	10 203	11 524	13 062	-8%
Total Communication	29 308	26 991	30 003	36 198	3%
MTG	3 007	3 284	2 938	2 999	8%
Other	509	509	489	505	1%
Total Entertainment	3 516	3 793	3 427	3 504	7%
Bayport	1 120	1 071	1 278	1 440	-12%
Betterment	551	527	-	-	2%
Other ²	589	537	501	499	18%
Total Financial Services	2 260	2 135	1 779	1 939	-2%
Other	359	409	298	650	-11%
Portfolio Value	64 196	66 904	75 959	86 833	-15%
Net cash/debt	354	5 831	7 558	482	
<i>whereof debt, unpaid investments/divestments</i>	-62	-62	-62	-511	
Total Net Asset Value	64 550	72 735	83 517	87 315	
Net Asset Value per share, SEK	234.63	264.39	301.10	314.79	
Closing price, class B share, SEK	198.50	230.30	262.00	262.10	

¹ Adjusted for investments, divestments and dividends

² For split see page 15

E-Commerce & Marketplaces



Founded in 2008, Zalando is Europe's leading online fashion platform, offering clothing, shoes and accessories for women, men and children with more than 1,500 global and local brands as well as private labels. Zalando has an online presence in 15 European markets and is tailored to country-specific customer preferences.

- On 19 July, Zalando announced preliminary results for the second quarter 2016, growing revenues to EUR 909-924m or by 24-26%, according to preliminary figures
- Zalando expects to achieve an adjusted EBIT of EUR 68-88m, corresponding to a margin of 7.5-9.5%
- Zalando reiterated its full-year guidance of revenue growth at the upper end of the 20-25% growth corridor and increases full-year adjusted EBIT margin guidance to 4.0-5.5%
- Zalando will publish its full financial results for the second quarter of 2016 on 11 August

32%
KINNEVIK STAKE

SEK 17.7BN
FAIR VALUE

18.4M
ACTIVE CUSTOMERS



Global Fashion Group is the leading emerging markets fashion e-commerce company with operations across 5 regions with a 2.5 billion population and addressing a fashion market worth EUR 350bn. The GFG regional businesses launched in 2011 and 2012.

- GFG is leveraging its commercial scale to make further brand acquisitions and sign up new partners. Over 5,000 partners are now on the marketplace platform
- Roll-out of the marketplace model continued and was launched in Brazil and Chile in the quarter, leading to an increased product offering. Across the group, there has been significant progress in onboarding of new sellers onto the marketplace platform, including B2B partnerships in Russia
- During the quarter, GFG showed it is on a clear path to profitability. The EBITDA margin improvement is driven by higher automation of warehouses, investments in logistics infrastructure and higher marketing efficiency, largely a result of increased customer acquisitions from free channels

26%
KINNEVIK STAKE
(AS OF 30 JUNE 2016)

SEK 3.6BN
FAIR VALUE
EQUITY AND LOAN

9.8M
ACTIVE CUSTOMERS

Key data (EURm)	Apr-Jun		Jan-Jun	
	2016	2015	2016	2015
Revenue	909	733	1 705	1 377
% Growth	24%	-	24%	-
EBIT	68	30	88	59
% Margin	8%	4%	5%	4%

EBIT adjusted for share-based compensation.

Numbers for the second quarter 2016 are preliminary, figures included in table represent bottom of preliminary range.

Key data (EURm)	Jan-Mar		Full year	
	2016	2015	2015	2014
Net revenues	230	183	930	628
% Growth	26%	-	48%	-
Gross profit	80	56	319	186
% Margin	35%	31%	34%	30%
EBITDA	-54	-74	-275	-238
% Margin	-23%	-41%	-30%	-38%

Figures for FY 2014 are based on simple aggregation and not a true consolidation. EBITDA adjusted for share-based compensation.



Rocket Internet is a global internet platform that incubates and develops e-commerce and other consumer-oriented online companies. Founded in 2007, Rocket Internet now has a network of companies in 110 countries outside the US and China.

- Rocket Internet's largest investee companies expanded their gross merchandise value by an average of 36% combined with a 16 percentage points improvement in EBITDA margin in the first quarter, compared to the same period last year
- The company agreed to underwrite up to EUR 100m in the financing round later amounting to EUR 330m in Global Fashion Group
- Africa Internet Group (AIG) raised more than 400 MEUR over the first six months of 2016 in multiple rounds from investors including Orange, CDC, MTN and AXA to accelerate the growth of the company and seize development opportunities

13%

KINNEVIK STAKE

SEK 3.6BN

FAIR VALUE

110

OF COUNTRIES

Qliro Group

Qliro Group is an e-commerce group in the Nordic region that includes the companies CDON.com, Nelly.com, Gymgrossisten, Tretti, Lekmer and Qliro Financial Services. Established in 1999, the Group has expanded its product portfolio and is now a leading e-commerce player within consumer goods, lifestyle products and financial services.

- The sale of Tretti to WhiteAway for SEK 250m was announced in June. The transaction involved WhiteAway becoming a client and partner to Qliro Financial Services as well as CDON Marketplace
- Nelly improved its EBITDA by more than SEK 10m compared to the second quarter 2015, and Gymgrossisten increased its EBITDA margin to around 7%
- Qliro Financial Services continued to develop in line with expectations, total operating income increased by 111% in the quarter and the business improved its results

29%

KINNEVIK STAKE

SEK 394M

FAIR VALUE

3.9M

ACTIVE CUSTOMERS

Key data (SEKm)	Apr-Jun		Jan-Jun	
	2016	2015	2016	2015
Net Sales	1 019	988	2 028	2 013
% Growth	3%	-	1%	-
Gross profit	183	165	338	325
% Margin	18%	17%	17%	16%
EBITDA	2	-7	-17	-16
% Margin	0%	-1%	-1%	-1%

Excluding divested operations and non-recurring items.



Home24 is an online store for furniture and home accessories in seven core markets in Europe and in Brazil. The broad range of around 180,000 products from over 800 manufacturers includes furniture, lamps, home accessories and garden equipment.

- Home24 continued to make progress in improving its unit economics, advancing on its path to profitability
- The company's private label share increased significantly through the integration of the recently acquired company Fashion For Home
- In April, Home24 opened its first outlet store in Berlin which attracted more than 5,000 visitors during the opening weekend

17%
KINNEVIK STAKE

SEK 96M
FAIR VALUE

1.0M
ACTIVE CUSTOMERS



Westwing is an international home & living e-commerce company offering a curated selection of home décor, interior design and furniture products. Westwing covers 14 markets across Europe, Brazil and Russia.

- Westwing continued to deliver significant improvements in its unit economics which resulted in a further 25 percentage points EBITDA margin annual increase in the first quarter of 2016
- The roll-out of proprietary systems such as warehouse and supplier management tools resulted in a higher degree of efficiency across the supply chain
- Focus on organic marketing channels reduced overall marketing spend and further strengthened customer loyalty and repeat behavior

17%
KINNEVIK STAKE

SEK 415M
FAIR VALUE

0.9M
ACTIVE CUSTOMERS

Key data (EURm)	Jan-Mar		Full year	
	2016	2015	2015	2014
Net revenue	64	60	234	160
% Growth	7%	-	46%	-
Gross profit	28	21	90	59
% Margin	43%	36%	38%	37%
EBITDA	-13	-20	-75	-49
% Margin	-20%	-33%	-32%	-31%

EBITDA is adjusted for share-based compensation.

Key data (EURm)	Jan-Mar		Full year	
	2016	2015	2015	2014
Revenue	57	52	219	183
% Growth	9%	-	20%	-
Gross profit	25	21	93	79
% Margin	44%	40%	42%	43%
EBITDA	-6	-19	-50	-47
% Margin	-11%	-36%	-23%	-26%

EBITDA is adjusted for share-based compensation.



Launched in 2012, Linio is an online shopping and selling destination in Spanish speaking Latin America with presence in Argentina, Chile, Colombia, Ecuador, Mexico, Panama, Peru and Venezuela.

- Linio's gross profit margin improved following a continued shift to marketplace, improved pricing rigor, faster ramp up of soft lines (including fashion, health, and beauty products) and higher recovery of shipping fees
- Operational productivity gains and improved marketing efficiency resulted in significantly lower EBITDA losses and reduced cash burn
- Despite a challenging macro environment in Latin America where currency depreciation led to a fall in gross merchandise value, Linio improved customer engagement and increased number of shipped items by 31% and number of items per transaction increased by 12% compared to the first quarter of 2015

17%
KINNEVIK STAKE

SEK 212M
FAIR VALUE

1.0M
ACTIVE CUSTOMERS



Konga, founded in 2012, is one of the largest general merchandise marketplaces in Nigeria and ranks as one of the top ten websites in the country.

- KongaPay, Konga's payment solution, introduced "me-Commerce", a feature providing a gateway for customers and entrepreneurs to sell products locally and internationally. It gives users a safe and seamless payment experience via mobile without the need for bank transfers
- Konga's push towards mobile continued to increase with over 80% of visitors from the app and mobile web
- Efficient marketing, focused on the most attractive channels, resulted in all-time high conversion rates and acquisition of high quality customers

34%
KINNEVIK STAKE

SEK 101M
FAIR VALUE

184 000
ACTIVE CUSTOMERS

Key data (EURm)	Jan-Mar		Full year	
	2016	2015	2015	2014
GMV	32	44	184	127
% Growth	-27%	-	44%	-
Net revenue	10	20	67	62
% Growth	-51%	60%	10%	29%
Gross profit	4	3	17	4
% Margin	40%	17%	25%	7%
EBITDA	-10	-18	-64	-55
% Margin	-101%	-88%	-95%	-89%

GMV includes taxes and shipping costs.
EBITDA is adjusted for share-based compensation.



Quikr is India's number one online classifieds platform. Launched in 2008, today the company serves approximately 20 million unique monthly visitors.

- Quikr continued to focus on monetisation across core verticals, resulting in a further increase in revenue growth compared to the prior quarter and the second quarter 2015
- User experience enhancements, including expansion of payment and delivery options across verticals, resulted in all-time high engagement metrics

19%
KINNEVIK STAKE

SEK 1.5BN
FAIR VALUE

7.9M
JUNE RESPONSES



Saltside launched in 2011 and operates the top online horizontal classifieds platform in four frontier markets - Bangladesh, Sri Lanka, Ghana and Nigeria.

- Saltside's subscription-based membership model showed continued growth across all markets
- Listing fees introduced in select verticals, with positive impact in both inventory quality and monetisation
- The beta launch of "Buy Now" was carried out during the quarter, an end-to-end marketplace offering, including delivery and payment management across all Saltside's markets

61%
KINNEVIK STAKE

SEK 195M
FAIR VALUE

5.3M
JUNE UMGs

Communication



Millicom is an international telecommunications and media company dedicated to emerging markets in Latin America and Africa since 1990. Millicom is actively working on providing innovative and customer-centric digital lifestyle services.

- Weak macroeconomic conditions resulted in an organic service revenue growth of 2.1%. Millicom revised its revenue outlook for 2016 downwards to “low to mid-single digit”
- Adjusted EBITDA margin increased 1.4 percentage points year-on-year, above the medium-term target of 35%, and cash flow generation was robust
- A partnership with Netflix in Latin America was announced during the quarter, further strengthening Millicom’s customer proposition

TELE2

Founded in 1986, Tele2 is one of Europe’s leading telecommunications operators offering mobile communication services, fixed broadband and telephony, data network services and content services in 9 countries.

- Mobile end-user service revenue grew 2% like for like compared to the second quarter of 2015
- Announced the acquisition of TDC Sweden which will strengthen Tele2’s position in the Swedish B2B segment and is expected to close in the fourth quarter of 2016
- Group EBITDA declined as a result of the mobile investment in the Netherlands and lower EBITDA in Sweden, which was negatively impacted by increased sales and marketing spend and non-recurring items
- Tele2 confirmed its financial guidance for 2016

38%
KINNEVIK STAKE

SEK 19.4BN
FAIR VALUE

57.8M
MOBILE SUBSCRIBERS

30%
KINNEVIK STAKE

SEK 9.9BN
FAIR VALUE

15.2M
MOBILE SUBSCRIBERS

Key data (USDm)	Apr-Jun		Jan-Jun	
	2016	2015	2016	2015
Revenue	1 572	1 666	3 100	3 336
% Growth	-6%	-	-7%	-
EBITDA	560	569	1 110	1 140
% Margin	36%	34%	36%	34%
EBIT	214	234	453	469
% Margin	14%	14%	15%	14%
Net profit/loss	44	-99	86	-145

EBITDA is adjusted for restructuring and integration costs and other one-off items.

Key data (SEKm)	Apr-Jun		Jan-Jun	
	2016	2015	2016	2015
Revenue	6 668	6 611	13 114	13 122
% Growth	1%	-	0%	-
EBITDA	1 087	1 393	2 313	2 821
% Margin	16%	21%	18%	21%
EBIT	286	664	806	1 380
% Margin	4%	10%	6%	11%
Net profit/loss	-60	309	279	826

Figures refer to continuing operations excludes one-off items.

Entertainment



MTG is an international entertainment group. Its operations began in 1986, spans six continents and include TV channels and online platforms, content production and distribution businesses, radio stations, multi-channel networks and eSports.

- MTG's Nordic and International entertainment operations both delivered organic sales growth, with Bulgaria again leading the way with over 20% in total growth and more than 60% digital growth
- The increase in group profits reflected the implemented cost saving initiatives, and was achieved despite on-going currency headwinds and content cost inflation
- More original products are being commissioned for Viaplay, such as launch of Viafree across Scandinavia, exclusive coverage in Sweden of the Rio Olympics, new premium sports channels in Sweden and launch of the world's first 24/7 dedicated eSports TV channel
- A multi-year agreement for distribution of MTG's TV channels on Telenor's networks across the Nordic region was signed

20%

KINNEVIK STAKE

SEK 3.0BN

FAIR VALUE

1.0M

PREMIUM SUBSCRIBERS IN THE NORDICS

Key data (SEKm)	Apr-Jun		Jan-Jun	
	2016	2015	2016	2015
Revenue	4 328	4 155	8 154	7 855
% Growth	4%	-	4%	-
EBIT	472	452	632	594
% Margin	11%	11%	8%	8%
Net profit/loss	328	360	448	524

EBIT is excluding non-recurring items.

Net profit/loss is excluding divested operations.

Financial Services



Bayport provides unsecured credit and other financial services to the formally employed mass market in Africa and Latin America since 2001.

- My Money continued to expand, growing by 13,000 customers per month during the quarter, with a growing deposit balance and processing 30,000 ATM transactions per month. All loans in Ghana are now disbursed directly into My Money accounts. The My Money smartphone app was launched during the quarter
- Bayport Zambia launched a new deposit account product, Bayport Flexi. Deposit taking roll-out in the Ghana businesses is progressing, all CFC branches are now accepting deposits
- Bayport Mozambique became the fourth Bayport country operation to issue bonds in its domestic financial market

24%
KINNEVIK STAKE

SEK 1.1BN
FAIR VALUE

566 000
CUSTOMERS



Betterment is the largest independent automated investing service company in the United States. Betterment's vertically integrated platform provides fully automated, personalized advice and access to a low-cost, globally diversified investment portfolio.

- Assets under management increased by 110% year-on-year to USD 4.9bn
- Total customers amounted to 172,000, an increase of 100% year-on-year
- Betterment For Business, the 401(k) service, now has more than 175 plan sponsors and Betterment Institutional, the Registered Investment Advisor service, has more than 250 firms on the platform

9%
KINNEVIK STAKE

SEK 551M
FAIR VALUE

172 000
CUSTOMERS



Milvik offers, under the brand name BIMA, affordable and uniquely designed life and health insurance products via mobile phones since 2010.

- BIMA now has 11.8 million active users on its insurance and health service products, a 13% growth year-on-year, excluding discontinued products. 24 million subscribers have now been registered since inception
- BIMA continued to build on its successful partnership model with MNOs and a first partnership with Airtel was launched in Uganda, offering customers both life and hospitalization insurance

39%
KINNEVIK STAKE

SEK 407M
FAIR VALUE

11.8M
ACTIVE USERS

Financial review

DIVIDEND AND CAPITAL STRUCTURE

As at 30 June 2016, Kinnevik had a net cash position of SEK 0.4 bn.

During the second quarter Kinnevik received dividends from Millicom, Tele2 and MTG and paid dividend to its shareholders as follows:

Dividend received from listed investee companies		Amount (SEKm)
Millicom	USD 2.64 per share	823
Tele2	SEK 5.35 per share	725
MTG	SEK 11.50 per share	155
Total ordinary dividends		1 703
Cash distribution to Kinnevik's shareholders		
Ordinary dividend	SEK 7.75 per share	2 132
Share redemption	SEK 18.00 per share	4 952
Total cash distribution		7 084

Kinnevik executed a SEK 500m share buyback program between 15 February and 23 March 2016. The 2016 Annual General Meeting resolved that the share capital in the company shall be reduced by cancellation of the repurchased shares.

FINANCIAL TARGETS

Based on the current portfolio composition, Kinnevik aims for an annual **total shareholder return** of 13% over the cycle.

Given the nature of Kinnevik's new investments, the goal is to have low or no **leverage** in the parent company.

Kinnevik aims to pay an annual **dividend** growing in line with dividends received from our investee companies and the cash flow generated from our investment activities.

Kinnevik will make **share buybacks** when our shares trade at a significant discount to their intrinsic value, as perceived by Kinnevik, and the company has significant net cash (taking into consideration its dividend expectations, net investment plan and operating cost).

INVESTMENT ACTIVITY

Investee company (SEKm)	Apr-Jun 2016	Jan-Jun 2016
Betterment	-	538
Global Fashion Group, loan	456	925
Babylon	-	118
Westwing	52	52
Other	26	53
Investments	534	1 686
Lazada	415	415
Other	40	42
Divestments	455	457
Net investments	79	1 229

For 2016, Kinnevik expects net investments to amount to SEK 2-3bn.

EVENTS AFTER THE REPORTING PERIOD

On 7 July, the shareholders of Global Fashion Group agreed on a EUR 330m funding round with Kinnevik investing EUR 161m of a total commitment of up to EUR 200m announced on 27 April. Post completion of the funding round Kinnevik will hold a 35% stake of the company. Pre-funding was provided from Kinnevik during the first half of 2016 by way of a EUR 100m shareholder loan whereof EUR 50m was disbursed during the second quarter.

On 21 July, Kinnevik signed a new five-year credit facility, amounting to SEK 3bn.

VALUATION OF UNLISTED ASSETS

Investment (SEKm)	Kinnevik ownership	Accumulated net invested amount	Fair value 30 Jun 2016	Change in fair value and dividends received		Valuation method
				Apr-June 2016	Jan-June 2016	
Global Fashion Group ^{1,2,3}	26%	4 155	2 676	149	-1 391	Sales multiple
Global Fashion Group, Loan	-	925	938	10	13	Accrued acquisition value
Home & Living						
Home24 ³	17%	806	96	-396	-705	Sales multiple
Westwing ³	17%	419	415	-33	-30	Sales multiple
Other	Mixed	102	54	-7	-8	Mixed
Other E-Commerce						
Lazada ¹	4%	87	659	21	554	Latest transaction
Linio ^{1,3}	17%	191	212	-20	77	Sales multiple
Konga	34%	209	101	-44	-2	Sales multiple
Other ^{1,2}	Mixed	700	175	69	-63	Mixed
Marketplaces						
Quikr	19%	879	1 527	66	8	Latest transaction
Saltside	61%	195	195	-	-	Latest transaction ⁴
Other	Mixed	534	35	-167	-291	Mixed
Total E-Commerce & Marketplaces		9 201	7 083	-352	-1 838	
Metro	100%	1 036	370	-	7	DCF
Other	Mixed	128	139	-	-14	Mixed
Total Entertainment		1 164	509	-	-7	
Bayport	24%	467	1 120	49	-158	Latest transaction
Betterment	9%	538	551	24	13	Latest transaction
Milvik/BIMA	39%	213	407	17	56	DCF
Other	Mixed	69	142	30	29	Mixed
Total Financial Services		1 287	2 220	120	-60	
Babylon	13%	118	109	-3	-9	Latest transaction
Other	Mixed	485	87	-18	1	Mixed
Total Other		603	196	-21	-8	
Total Unlisted Assets		12 255	10 008	-253	-1 913	

¹ Accumulated net invested amounts and comparable periods have been adjusted pro forma for transactions related to the merger of Global Fashion Group as well as the sale of Kanui and Tricae to Global Fashion Group

² Accumulated net invested amounts include SEK 1.0bn in share distributions received from Rocket Internet

³ Ownership not adjusted for employee stock option plans and employee equity at subsidiary level

⁴ Equivalent to invested amount in the company's respective share classes

FAIR VALUES AS AT 30 JUNE 2016

At the end of June, the fair value of Kinnevik's unlisted assets amounted to a total of SEK 10,008m, to be compared with an accumulated invested amount (net after dividends received) of SEK 12,255m. The unrealized change in fair value amounted to negative SEK 253m in the second quarter, as specified in the table on the previous page.

As a consequence of Kinnevik's investee companies adopting different financing structures, the value of Kinnevik's shareholding in an investee company may be higher or lower than implied by Kinnevik's percentage ownership stake.

GLOBAL FASHION GROUP

The valuation of Kinnevik's shareholding in Global Fashion Group ("GFG") has been based on a multiple of 1.1x the company's latest publicly available 12 months' net revenues and net cash position as at 31 March 2016. The multiple used in the valuation corresponds to a 45% discount to GFG's listed and profitable developed market peers. The fair value of Kinnevik's aggregate shareholding in GFG implies a EUR 1.1bn valuation for 100% of the company's equity prior to the upcoming financing round.

On 26 April, Kinnevik committed to invest up to EUR 200m in a minimum EUR 300m internal capital increase in GFG by way of a joint underwriting with Rocket Internet. Due to a strong interest, the financing round's final size amounted to EUR 330m, and Kinnevik's final participation was scaled back to EUR 161m. EUR 50m of Kinnevik's committed amount was made available through a shareholder loan during the first quarter of 2016, with another EUR 50m disbursed during the second quarter. After completion of the capital increase Kinnevik will hold 35% of the capital in GFG.

The valuation of Kinnevik's shareholder loans disbursed to GFG during the first half-year corresponds to the outstanding principal amount plus accrued interest as at 30 June 2016.

OTHER E-COMMERCE

Revenue multiple valuations have been applied for Kinnevik's shareholdings in the e-commerce companies listed in the table on the right-hand side. The valuations have in all cases been based on the respective company's latest publicly available 12 months' net revenues and net cash positions (as at 31 March 2016).

The peer group's average revenue multiple within the Home & Living category has been discounted downwards to 0.7x for Home24 and to 1.0x for Westwing when assessing the fair values of Kinnevik's shareholding.

The valuation of Lazada has been based on the valuation implied by Kinnevik's partial divestment which was completed during the second quarter. The valuation implies an equity value of USD 2.0bn.

Kinnevik's other general e-commerce investee companies, Linio and Konga, 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 generally consist of the fees charged third party merchants. To reflect the ongoing

shift in business model in the method of valuing Kinnevik's shareholding in 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 is 1.4x for Linio and 1.8x for Konga.

Company	30 June * 2016	31 Mar * 2016	Adjusted multiple **
GFG	1.1	1.1	Yes
Home24	0.7	1.0	Yes
Westwing	1.0	1.3	Yes
Linio	1.4	1.8	Yes
Konga	1.8	1.5	No

* Multiple of latest publicly available 12 months historical net revenues

** Multiple has been adjusted as per 30 June 2016 to reflect differences in factors such as profitability and growth rate. See Note 4 for further details

MARKETPLACES

The valuation of Kinnevik's shares in Quikr has as in the previous quarter been based on the value implied by the transactions made in secondary Quikr shares with various preferential rights in July 2015 at a valuation of USD 900m. The size of the transactions, approximately 6% of the company's diluted share capital at that point in time, is considered sufficiently large to be applied to Kinnevik's entire shareholding in Quikr.

FINANCIAL SERVICES

The valuation of Kinnevik's shares in Bayport has as in the previous quarter been based on the value implied by cash transactions made in secondary Bayport shares in February 2016 at a valuation of USD 547m. The size of the transactions, approximately 5% of the company's diluted share capital at that point in time, is considered sufficiently large to be applied to Kinnevik's entire shareholding in Bayport.

For Kinnevik's shares in Milvik/BIMA, the valuation as at 30 June 2016 has been based on an independent third party discounted cash flow valuation commissioned in March 2016. The valuation implies an equity value of USD 124m.

Kinnevik's shares in Betterment have been valued in line with the valuation applied in the USD 100m funding round announced in the first quarter, corresponding to a fully diluted equity value of USD 700m.

FAIR VALUES AND IMPLIED VALUES FROM LATEST TRANSACTIONS AS AT 30 JUNE 2016

Investment (SEKm)	Valuation in latest transaction	Implied value Kinnevik's stake	Fair value Kinnevik's stake	Difference	Nature of latest transaction
Global Fashion Group	6 589	1 803	2 676	-873	Ongoing capital increase
Global Fashion Group, Loan	938	938	938	-	Loan
Home24	9 233	1 581	96	1 485	New share issue
Westwing	4 739	803	415	388	New share issue
Lazada	16 945	659	659	-	Sale of shares
Linio	4 242	740	212	528	New share issue
Quikr	11 693	2 121	1 527	594	New share issue
Saltside	960	584	195	389	New share issue
Bayport	4 630	1 120	1 120	-	Sale of shares
Betterment	5 863	551	551	-	New share issue
BIMA	1 170	471	407	64	New share issue
Iroko	567	103	103	-	New share issue
Other E-Commerce & Marketplaces	-	1 292	365	927	Various
Other Financial Services	-	144	142	2	Various
Other Entertainment	-	409	406	3	Various
Other	-	196	196	-	Various
Total		13 515	10 008	3 507	

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 preferential rights such as 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 3.5bn applied to Kinnevik's shareholdings as at 30 June 2016, whereof Kinnevik's E-Commerce & Marketplaces portfolio represented SEK 3.4bn.

For Global Fashion Group, the valuation applied in the ongoing capital increase has been reflected in the table above.

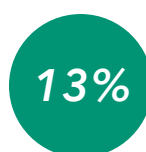
For further information about valuation principles and assumptions, please see Note 4.

TOTAL SHAREHOLDER RETURN


Past 30 years



Past 10 years



Past 5 years



Past 12 months

Total shareholder return is calculated on the basis of shareholders reinvesting all cash dividends, dividends in kind and mandatory share redemption proceeds into the Kinnevik share.

Condensed Consolidated Income Statement

SEK m	Note	2016 1 Apr- 30 Jun	Restated 2015 1 Apr- 30 Jun	2016 1 Jan- 30 Jun	Restated 2015 1 Jan- 30 Jun	Restated 2015 Full year
Change in fair value of financial assets	4	-2 790	2 491	-12 982	2 152	-1 537
Dividends received	5	1 703	2 984	1 703	2 984	2 984
Administration costs		-57	-45	-104	-95	-245
Other operating income		11	4	13	9	21
Other operating expenses		0	-1	-1	-1	1
Operating profit/loss		-1 133	5 433	-11 371	5 049	1 224
Financial net		33	-14	40	-9	-14
Profit/loss after financial net		-1 100	5 419	-11 331	5 040	1 210
Tax		0	0	0	0	-3
Net profit/loss for the period		-1 100	5 419	-11 331	5 040	1 207
Net profit/loss per share before dilution		-4.03	19.54	-41.07	18.17	4.35
Net profit/loss per share after dilution		-4.04	19.53	-41.05	18.16	4.35
Other comprehensive income						
Cash flow hedging, gains/losses during the period		0	3	0	-2	2
Total Other comprehensive income for the period		0	3	0	-2	2
Total Comprehensive income for the period		-1 100	5 422	-11 331	5 038	1 209
Outstanding shares at the end of the period		275 115 735	277 390 870	275 115 735	277 390 870	277 402 722
Average number of shares before dilution		275 108 453	277 375 383	275 873 209	277 370 221	277 380 851
Average number of shares after dilution		275 260 785	277 478 088	276 031 877	277 482 977	277 516 889

CONSOLIDATED EARNINGS FOR THE SECOND QUARTER

The change in fair value of financial assets including dividends received amounted to a loss of SEK 1,087m (profit of 5,475) for the second quarter of which a loss of SEK 834m (profit of 4,409) was related to listed holdings and a loss of SEK 253m (profit of 1,066) was related to unlisted holdings. See note 4 for further details.

CONSOLIDATED EARNINGS FOR THE FIRST SIX MONTHS OF THE YEAR

The change in fair value of financial assets including dividends received amounted to a loss of SEK 11,279m (profit of 5,136) for the six months of the year of which a loss of SEK 9,366m (profit of 3,856) was related to listed holdings and a loss of SEK 1,913m (profit of 1,280) was related to unlisted holdings. See note 4 for further details.

Condensed Consolidated Cash Flow Statement

SEK m	Note	2016 1 Apr- 30 Jun	Restated 2015 1 Apr- 30 Jun	2016 1 Jan- 30 Jun	Restated 2015 1 Jan- 30 Jun	Restated 2015 Full year
Dividends received	5	1 703	2 984	1 703	2 984	2 984
Cash flow from operations		-50	-42	-118	-87	-180
Cash flow from operations before interest net and income taxes		1 653	2 942	1 585	2 897	2 804
Interest, received		42	3	42	6	12
Interest, paid		-10	-10	-20	-21	-41
Cash flow from operations		1 685	2 935	1 607	2 882	2 775
Investments in financial assets		-534	-579	-1 686	-732	-1 590
Sale of shares and other securities		455	242	457	763	8 259
Other		0	-1	0	-3	-10
Cash flow from investing activities		-79	-338	-1 229	28	6 659
Change in interest bearing loans		0	-17	0	-36	67
Repurchase of shares		-	-	-500	-	-
Dividend paid to equity holders of the Parent company		-7 084	-2 011	-7 084	-2 011	-2 011
Cash flow from financing activities		-7 084	-2 028	-7 584	-2 047	-1 944
Cash flow for the period		-5 478	569	-7 206	863	7 490
Cash and short term investments, opening balance		7 152	1 684	8 880	1 390	1 390
Cash and short term investments, closing balance		1 674	2 253	1 674	2 253	8 880
SUPPLEMENTARY CASH FLOW INFORMATION						
Investments in financial assets	4	-534	-559	-1 686	-1 154	-1 562
Current period investments, not yet paid		0	-20	0	511	62
Prior period investments, paid in current period		0	0	0	-89	-90
Cash flow from investments in financial assets		-534	-579	-1 686	-732	-1 590

Condensed Consolidated Balance Sheet

SEK m	Note	2016 30 Jun	Restated 2015 30 Jun	Restated 2015 31 Dec
ASSETS				
Fixed assets				
Financial assets accounted at fair value through profit and loss	4	64 206	86 834	75 960
Tangible fixed assets		65	65	66
Other fixed assets		2	0	3
Total fixed assets		64 273	86 899	76 029
Other current assets		33	10	18
Short term investments		1 273	992	8 321
Cash and cash equivalents		401	1 261	559
TOTAL ASSETS		65 980	89 162	84 927
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity attributable to equityholders of the Parent Company		64 550	87 294	83 464
Interest bearing liabilities, long term		1 258	1 260	1 259
Interest bearing liabilities, short term		0	0	1
Non interest bearing liabilities		172	607	203
TOTAL EQUITY AND LIABILITIES		65 980	89 162	84 927

Key Ratios

Ratio	Note	2016 30 Jun	Restated 2015 30 Jun	Restated 2015 31 Dec
Debt/equity ratio		0.02	0.01	0.02
Equity ratio		98%	98%	98%
Net cash/(Net debt) for the Group	6	354	-16	7 568

Condensed Report of Changes in Equity for the Group

Attributable to the Parent Company's shareholders

SEK m	Share capital	Other contributed capital	Hedging reserve	Translation reserve	Retained earnings including net result for the year	Total	Non-controlling interest	Total shareholders' equity
Closing balance 31 December 2014	28	8 840	-36	-1	75 345	84 176	30	84 206
Effect of changes in accounting principles				1	97	98	-30	68
Opening Equity 1 January 2015	28	8 840	-36	0	75 442	84 274	0	84 274
Other comprehensive income			2			2	0	2
Profit for the year					1 207	1 207		1 207
Total comprehensive income for the year	0	0	2	0	1 207	1 209	0	1 209
Other changes in shareholders' equity								
Effect of employee share saving programme					-8	-8		-8
Cash dividend					-2 011	-2 011		-2 011
Closing balance 31 December 2015	28	8 840	-34	0	74 630	83 464	0	83 464
Other comprehensive income					0	0		0
Profit for the year					-11 331	-11 331		-11 331
Total comprehensive income for the period	0	0	0	0	-11 331	-11 331	0	-11 331
Other changes in shareholders' equity								
Effect of employee share saving programme					1	1		1
Redemption program and cash dividend					-7 084	-7 084		-7 084
Share buy-backs					-500	-500		-500
Closing balance 30 June 2016	28	8 840	-34	0	55 716	64 550	0	64 550

Notes for the Group (SEKm)

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. Information in accordance with IAS 34, Interim Financial Reporting is provided in the notes as well as on other places in the interim report.

CHANGED ACCOUNTING POLICIES 2016

To make the financial statements for Kinnevik better reflect the activities of the group, Kinnevik has, after an assessment, decided to apply Investment Entity accounting according to IFRS 10. This means that the operating subsidiaries; Metro, Saltside, G3 and Vireo, are valued at fair value through profit and loss instead of being consolidated from 1 January 2016. Comparative numbers for 2015 have been recalculated according to the new policy. The effect of the changes in the accounting principles are presented in the "Statement of Changes in Equity" and in Note 7 "Restatement of Financial Statements in respect of application of IFRS 10, Investment entities" in the interim report for the first quarter 2016.

In all other aspects, the accounting principles and calculation methods applied in this report are the same as those described in the 2015 Annual Report.

Classification as an Investment Entity

Kinnevik believes that the Company meets the criteria to qualify as an investment entity and the following key considerations were observed in conjunction with the assessment:

- Kinnevik receives capital from its shareholders in order to invest in portfolio companies that Kinnevik subsequently assists in developing in an effort to generate a return in the form of both a direct yield and value appreciation on the investment. Investments are made both in listed and unlisted companies.
- Moreover, Kinnevik continually monitors and evaluates its investments in portfolio companies on the basis of fair value.
- Kinnevik currently focuses on investments in a number of different sectors. The company does not have an explicit time horizon as regards the scheduling of a divestment; instead, the investment strategy is assessed on a continual basis and the focus changes over time.

NOTE 2 RISK MANAGEMENT

The Group's management of financial risks is centralized within Kinnevik's finance function and is conducted on the basis of a 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. Kinnevik is also exposed to political and other market and funding related risks since a number of the companies Kinnevik has invested in are early stage businesses and may 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 24 of the 2015 Annual Report.

NOTE 3 RELATED PARTY TRANSACTIONS

Related party transactions for the period are of the same character as the transactions described in the 2015 Annual Report.

NOTE 4 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 preferential rights, such as senior liquidation preference to the company's assets than earlier issued shares. For companies where no or few recent arm's length transactions have been performed, a valuation is conducted either by applying relevant multiples to the company's historical and forecast key figures, such as sales, profit, equity, or by discounting future expected 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, following which a draft is sent to 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 2016:

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 Net-a-Porter Group), adjusted with a 45% discount on an aggregated level to adjust for emerging market exposure and path to profitability. The valuation considers preferential rights in case of a liquidation or sale of the company.	12 months historical sales (ending 31 March 2016) Multiple: 1.1x
Home24	The valuation is based on the average sales multiple of a group of comparable companies (including Ocado Group, Wayfair and AO World), adjusted with a 30% discount on an aggregated level to adjust for growth and path to profitability. The valuation considers preferential rights in case of a liquidation or sale of the company.	12 months historical sales (ending 31 March 2016) Multiple: 0.7x
Westwing	The valuation is based on the average sales multiple of a group of comparable companies (including Ocado Group, Wayfair and AO World). The average sales multiple of the peer group has been reduced by 10% due to factors such as lower profitability and company size. The valuation considers preferential rights in case of a liquidation or sale of the company.	12 months historical sales (ending 31 March 2016) Multiple: 1.0x
Lazada	The valuation is based on the sale of 4% of Kinnevik's stake in the company. The valuation implies an equity value of USD 2.0bn.	
Linio	The valuation is based on the average sales multiple of a group of comparable companies. Linio generates revenue from two business models, inventory and marketplace. Accordingly, two different peer groups are used in the valuation and the multiple weighted based on sales. 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, eBay and Alibaba. This has then been adjusted by a 30% discount to adjust for factors such as path to profitability and emerging market exposure. The valuation considers preferential rights in case of a liquidation or sale of the company.	12 months historical sales (ending 31 March 2016) Multiple: 1.4x
Konga	The valuation is based on the average sales multiple of a group of comparable companies. Konga generates revenue from two business models, inventory and marketplace. Accordingly, two different peer groups are used in the valuation and the multiple weighted based on sales. 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, eBay and Alibaba. The valuation considers preferential rights in case of a liquidation or sale of the company.	12 months historical sales (ending 31 March 2016) Multiple: 1.8x
Quikr	The valuation is based on the latest transaction at arm's length; secondary share transactions in July 2015. The transaction valued all shares in Quikr at USD 900m.	
Bayport	The valuation is based on the latest transaction at arm's length; secondary share transactions in February 2016. The transaction valued all shares in Bayport at USD 547m.	
Milvik/BIMA	The valuation is based on a independent third-party valuation done in March 2016 where the total equity value of BIMA is USD 124m.	
Betterment	The valuation is based on the latest funding round where Kinnevik invested USD 65m. The transaction valued all shares in Betterment at USD 700m on a fully diluted basis.	

For the companies in the table above that are valued based on multiples (i.e. Global Fashion Group, Home24, Westwing, Linio and Konga), an increase in the multiple by 10% would have increased estimated fair value by SEK 308m. Similarly, a decrease in the multiple by 10% would have decreased estimated fair value by SEK 338m.

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	2016 1 Apr- 30 Jun	Restated 2015 1 Apr- 30 Jun	2016 1 Jan- 30 Jun	Restated 2015 1 Jan- 30 Jun	Restated 2015 Full year
Black Earth Farming	-29	-37	-35	27	57
Millicom	2 622	-417	931	1 097	-3 560
MTG	-277	-567	69	-359	-420
Qliro Group	15	-151	-119	-215	-224
Rocket Internet	-1 346	-1 300	-2 034	-2 650	-4 993
Seamless	6	-33	6	-14	-13
Tele2	-304	-908	-1 625	196	-1 342
Transcom	-	3	-	89	89
Zalando	-3 224	4 835	-8 261	2 701	6 914
Total Listed assets	-2 537	1 425	-11 069	872	-3 492
Avito	-	305	-	604	4 859
Babylon	-3	-	-9	-	-
Bayport	49	300	-158	408	246
Betterment	24	-	13	-	-
Global Fashion Group ¹	149	-11	-1 391	-175	-2 696
Global Fashion Group, Loan	10	-	13	-	-
Home24	-396	-9	-705	-34	-44
Konga	-44	82	-2	113	-189
Lazada ¹	21	-1	554	-31	-36
Linio ¹	-20	-1	-55	-22	-89
Milvik/BIMA	17	-9	56	12	16
Quikr	66	507	8	550	577
Westwing	-33	15	-30	27	-178
Other ¹	-93	-112	-207	-172	-511
Total Unlisted assets	-253	1 066	-1 913	1 280	1 955
Total	-2 790	2 491	-12 982	2 152	-1 537

¹ Comparable periods have been adjusted for restructuring relating to merger of Global Fashion Group, contribution of Kanui and Tricae into Global Fashion Group and the swap between Linio and Africa E-commerce Holding

30 June 2016
(listed companies)

Book value of Financial assets	Class A shares	Class B shares	Capital/ Votes (%)	2016 30 Jun	Restated 2015 30 Jun	Restated 2015 31 Dec
Black Earth Farming	51 811 828	-	24.6/24.6	173	179	209
Millicom	37 835 438	-	37.7/37.7	19 410	23 136	18 479
MTG	4 461 691	9 042 165	20.3/48.0	3 007	2 999	2 938
Qliro Group	42 613 642	-	28.5/28.5	394	522	513
Rocket Internet	21 716 964	-	13.2/13.2	3 593	7 970	5 627
Seamless	4 232 585	-	8.7/8.7	40	34	35
Tele2	18 430 192	117 065 945	30.4/47.9	9 898	13 062	11 524
Zalando	78 427 800	-	31.7/31.7	17 683	21 731	25 943
Total Listed assets				54 198	69 633	65 268
Avito			-/-	-	2 902	-
Babylon			12.8/12.8	109	-	-
Bayport			24.2/24.2	1 120	1 440	1 278
Betterment			9.4/9.4	551	-	-
Global Fashion Group ¹			25.6/25.6	2 676	6 299	4 067
Global Fashion Group, Loan			-/-	938	-	-
Home24			17.1/17.1	96	809	801
Konga			34.0/34.0	101	405	103
Lazada ¹			3.6/3.6	659	525	520
Linio ¹			16.9/16.9	212	161	135
Milvik/BIMA			38.9/38.9	407	347	351
Quikr			19.1/19.1	1 527	1 321	1 519
Saltside			60.8/60.8	195	195	195
Westwing			16.5/16.5	415	592	387
Other ¹			-/-	1 002	2 205	1 336
Total Unlisted assets				10 008	17 201	10 692
Total				64 206	86 834	75 960

¹ Comparable periods have been adjusted for restructuring relating to merger of Global Fashion Group, contribution of Kanui and Tricae into Global Fashion Group, and the swap of shares in Linio and Africa E-Commerce Holding with Rocket Internet

Investments in financial assets	2016 1 Apr- 30 Jun	Restated 2015 1 Apr- 30 Jun	2016 1 Jan- 30 Jun	Restated 2015 1 Jan- 30 Jun	Restated 2015 Full year
	-	-	-	-	-
Total Listed assets	-	-	-	-	-
Babylon	-	-	118	-	-
Betterment	-	-	538	-	-
Global Fashion Group ¹	-	382	-	382	555
Global Fashion Group, Loan	456	-	925	-	-
Home24	-	8	-	10	12
Iroko	-	-	17	15	15
Linio ¹	-	-	-	-	41
Metro	-	35	-	35	35
Milvik/BIMA	-	129	-	129	129
Quikr	-	-	-	346	517
Saltside	-	-	-	41	41
Westwing	58	-	58	186	186
Other	20	5	30	10	31
Total Unlisted assets	534	559	1 686	1 154	1 562
Total	534	559	1 686	1 154	1 562

¹ Comparable periods have been adjusted for restructuring relating to merger of Global Fashion Group, contribution of Kanui and Tricae into Global Fashion Group and the swap between Linio and Africa E-commerce Holding

Changes in unlisted assets (level 3)	2016 1 Apr- 30 Jun	Restated 2015 1 Apr- 30 Jun	2016 1 Jan- 30 Jun	Restated 2015 1 Jan- 30 Jun	Restated 2015 Full year
Opening balance	10 182	15 660	10 692	14 853	14 853
Investments	534	559	1 686	1 154	1 562
Disposals / Exit proceeds	-455	-82	-457	-86	-7 678
Change in fair value	-253	1 066	-1 913	1 280	1 955
Exchange gain / loss and other	-	-2	-	-	-
Closing balance	10 008	17 201	10 008	17 201	10 692

NOTE 5 DIVIDENDS RECEIVED

	2016 1 Apr- 30 Jun	Restated 2015 1 Apr- 30 Jun	2016 1 Jan- 30 Jun	Restated 2015 1 Jan- 30 Jun	Restated 2015 Full year
Millicom	823	823	823	823	823
Tele2	725	2 012	725	2 012	2 012
MTG	155	149	155	149	149
Total dividends received	1 703	2 984	1 703	2 984	2 984
Of which cash dividends	1 703	2 984	1 703	2 984	2 984
Of which ordinary cash dividends	1 703	1 629	1 703	1 629	1 629

NOTE 6 INTEREST BEARING ASSETS AND LIABILITIES

Kinnevik's total interest bearing assets amounted to SEK 2,565m as at 30 June 2016, whereof SEK 891m related to net outstanding loans to investee companies. The short term deposits of SEK 1,273m 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 1,258m and the debt for unpaid investments was SEK 62m. The Group was in a net cash position of SEK 354m as at 30 June 2016 (SEK 7,558m as at 31 December 2015). Including net outstanding loans to investee companies, the corresponding figure was SEK 1,245m (SEK 7,568m as at 31 December 2015).

Kinnevik's total credit facilities (including issued bonds) amounted to SEK 4,330m as at 30 June 2016 whereof SEK 3,000m related to a revolving credit facility and SEK 1,200m related to bonds. The utilization of the credit facilities was SEK 1,200m. On 21 July, Kinnevik signed a new five-year credit facility amounting to SEK 3bn, increasing the total facility amount to SEK 7,330m.

The Group's available liquidity, including short term investments and available unutilized credit facilities, totaled SEK 4,804m as at 30 June 2016 (SEK 14,810m as at 31 December 2015).

	2016 30 Jun	Restated 2015 30 Jun	Restated 2015 31 Dec
Interest bearing assets			
Net loans to investee companies	891	99	10
Short term investments	1 273	992	8 321
Cash and cash equivalents	401	1 261	559
Total interest bearing assets	2 565	2 351	8 890
Interest bearing long term liabilities			
Liabilities to credit institutions	30	37	34
Capital markets issues	1 200	1 200	1 200
Accrued borrowing cost	-5	-12	-8
Other interest bearing liabilities	33	35	33
	1 258	1 260	1 259
Interest bearing short term liabilities			
Liabilities to credit institutions	0	0	1
	0	0	1
Total interest bearing liabilities	1 258	1 260	1 260
Net interest bearing assets	1 307	1 092	7 630
Debt, unpaid investments/divestments	-62	-511	-62
Net cash/(Net debt) for the Group, including net loans to investee companies	1 245	581	7 568

The outstanding loans carry an interest rate of Stibor or similar base rate with an average margin of 1.7%. 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 2016, the average remaining tenor was 1.6 years for all credit facilities including the bond. As at 30 June 2016, Kinnevik had not provided any security for any of its outstanding loans.

Condensed Parent Company Income Statement

SEK m	2016 1 Apr- 30 Jun	2015 1 Apr- 30 Jun	2016 1 Jan- 30 Jun	2015 1 Jan- 30 Jun	2015 Full year
Administration costs	-47	-45	-88	-92	-229
Other operating income and costs	1	3	1	5	7
Operating loss	-46	-42	-87	-87	-222
Dividends received, external	786	1 973	786	1 973	1 973
Result from subsidiaries	-849	9 592	-849	13 092	8 605
Financial net	11	-15	-22	-24	-41
Profit/loss after financial items	-98	11 508	-171	14 954	10 315
Group contribution	-	-	-	-	31
Profit/loss before taxes	-98	11 508	-171	14 954	10 346
Taxes	0	0	0	0	0
Net profit/loss for the period	-98	11 508	-171	14 954	10 346
Total comprehensive income for the period	-98	11 508	-171	14 954	10 346

Condensed Parent Company Balance Sheet

SEK m	2016 30 Jun	2015 30 Jun	2015 31 Dec
ASSETS			
Tangible fixed assets	4	3	4
Financial fixed assets	51 774	57 274	54 278
Short term receivables	22	281	83
Short term investments	1272	987	8 337
Cash and cash equivalents	414	270	345
TOTAL ASSETS	53 486	58 815	63 047
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity	44 757	57 121	52 513
Provisions	28	29	28
Long term interest bearing liabilities	8 601	1 594	10 370
Short term liabilities	100	71	136
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	53 486	58 815	63 047

The Parent Company's liquidity, including short-term investments and unutilized credit facilities, totalled SEK 4,816m (7,187) at 30 June 2016. The Parent Company's interest bearing external liabilities amounted to SEK 1,225m (1,225) on the same dates. Investments in tangible fixed assets amounted to SEK 0m (1) during the period.

Distribution by class of shares on 30 June 2016 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	232 746 423	232 746 423	23 275
Class B shares in own custody	2 652 455	2 652 455	265
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 2016 to 656,439,543 excluding 2,652,455 class B treasury shares. During the second quarter 14,565 Class B shares were delivered to participants in the long term incentive program 2013. A share repurchase program was executed between 15 February and 23 March 2016. The number of shares bought back amounted to 2,301,552 Class B shares.

The AGM on 23 May 2016 resolved (i) on a reduction of the share capital by way of cancellation of the 2,301,552 class B shares repurchased under Kinnevik's share repurchase program, (ii) to authorize the Board to resolve on a new issue of class C shares to ensure delivery of shares to participants in Kinnevik's long-term incentive plan 2016, and (iii) to offer holders of class A shares to reclassify their Class A shares into Class B shares. This offer was effected during 22 June to 4 July and shareholders of 1,212,168 Class A shares choose to reclassify their Class A shares to Class B shares. The reclassification was executed and registered in July 2016.

The Board has authorization to repurchase up to a maximum of 10% of all shares in the Company over 12 months, ending at the AGM of 2017.

There are no convertibles or warrants in issue.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

Kinnevik presents some performance measures in the interim report that are not defined by IFRS. Kinnevik believes that these performance measures adds valuable information to the company's investors and the company's management since they enable assessment of the Kinnevik's and its portfolio companies performance and position. Since all companies does not calculate their performance measures in the same manner, these are not always comparable with similar measures used by other companies. Such performance measures shall therefore not be used in replacement of measures defined by IFRS.

Alternative performance measures in Kinnevik's interim report include:

Net asset value, NAV	Net value of all assets in the balance sheet, equal to the shareholders' equity
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 (excluding net outstanding receivables relating to portfolio companies), short-term investments and cash and cash equivalents less interest-bearing liabilities including interest-bearing provisions and unpaid investments/divestments
Investments	All investments in listed and unlisted financial assets, including loans to portfolio companies
Net investments	The net of all investments and divestments in listed and unlisted financial assets
Total shareholder return, TSR	Annualized total return of the Kinnevik B share on the basis of shareholders reinvesting all cash dividends, dividends in kind, and mandatory share redemption proceeds into the Kinnevik B share, before tax, on each respective ex-dividend date. The value of Kinnevik B shares held at the end of the measurement period is divided by the price of the Kinnevik B share at the beginning of the period, and the resulting total return is then recalculated as an annual rate
Internal rate of return, IRR	The annual rate of return calculated in quarterly intervals on a SEK basis that renders a zero net present value of (i) fair values at the beginning and end of the respective measurement period, (ii) investments and divestments, and (iii) cash dividends and dividends in kind
Gross Merchandise Value, GMV	Total value of all sale transactions during the period, including taxes but excluding shipping costs
Unique Monthly Visitors, UMV	Number of unique monthly visitors of a classifieds platform
Active customers	Number of customers having made at least one order within the last 12 months

FINANCIAL REPORTS

Dates for 2016 reporting:

26 October Interim Report January-September 2016

February 2017 Year end release 2016

The Board of Directors and the Chief Executive Officer 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 2016

Tom Boardman
Chairman of the Board

Anders Borg
Deputy Chairman of the Board

Dame Amelia Fawcett
Deputy Chairman of the Board

Wilhelm Klingspor
Member of the Board

Lothar Lanz
Member of the Board

Erik Mitteregger
Member of the Board

Mario Queiroz
Member of the Board

John Shakeshaft
Member of the Board

Cristina Stenbeck
Member of the Board

Lorenzo Grabau
Chief Executive Officer

AUDIT REPORT

Introduction

We have reviewed the interim report for Kinnevik AB for the period January 1 - June 30, 2016. 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 2016

Deloitte AB

Jan Berntsson
Authorized Public Accountant

This information is information that Kinnevik AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out below, at 08.00 CET on 22 July 2016.

For further information, visit www.kinnevik.com or contact:

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Kinnevik is an entrepreneurial investment group focused on building digital consumer businesses. 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 Stockholm's list for large cap companies under the ticker codes KINV A and KINV B.