
PRESENTATION OF THE FIRST QUARTER OF 2018

26 APRIL 2018

AGENDA

- A** Operating Companies' Performance
- B** Kinnevik's Financial Position
- C** 2018 Priorities

TODAY'S PRESENTERS

Georgi Ganev

Chief Executive Officer

Joakim Andersson

Chief Financial Officer

Torun Litzén

Director Corporate Communications

SECTION A

OPERATING COMPANIES' PERFORMANCE

Q1 2018 HIGHLIGHTS: STRATEGIC DEVELOPMENTS IN OUR TMT PORTFOLIO ON TRACK, AND TWO NEW HIRES ANNOUNCED IN KINNEVIK'S INVESTMENT TEAM

NAV 31 MARCH 2018

SEK **93.3**bn

CHANGE IN NAV Q/Q

3%

1 YEAR TSR

30%

5 YEAR TSR

19%

KEY PORTFOLIO DEVELOPMENTS

- The proposed merger between Tele2 and Com Hem announced on 10 January is on track, and an updated shareholder remuneration and leverage policy for the combined company was announced in April
- On 23 March, MTG announced its intention to split into Modern Times Group and Nordic Entertainment Group, creating two companies with clear business profiles, and with the ability to focus on their specific requirements and opportunities
- On 11 April, Kinnevik announced an investment of USD 41m in Livongo, increasing the ownership to 8%
- In April, Kinnevik agreed to invest SEK 80m for a 20% ownership stake in Budbee, the Swedish last-mile logistics company

FINANCIAL POSITION

- Net Asset Value of SEK 93.3bn (SEK 339 per share), up SEK 2.7bn or 3% during the quarter, led by a SEK 1.6bn increase in Zalando and a SEK 0.7bn increase in Millicom
- Unchanged net debt position of SEK 1.1bn at the end of the quarter

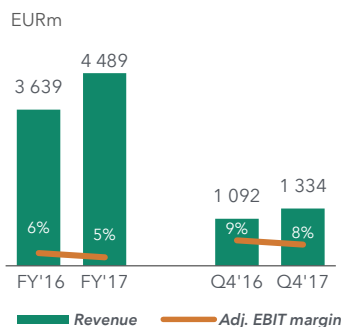
ORGANISATION

- Georgi Ganev assumed the position as Kinnevik's CEO on 1 January
- Andreas Bernström joined Kinnevik as Investment Director on 5 March
- Lars-Åke Norling will join Kinnevik as Investment Director and sector head of TMT starting 1 September
- Christoph Barchewitz left Kinnevik to join the portfolio company Global Fashion Group as Co-CEO

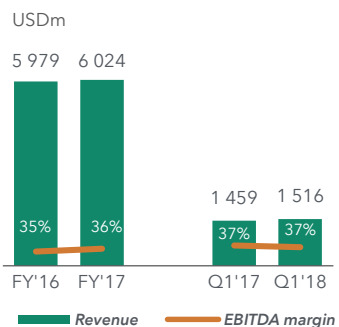
OUR LARGE PUBLIC COMPANIES HAD A STRONG FIRST QUARTER WITH HIGH GROWTH AND INCREASING PROFITS



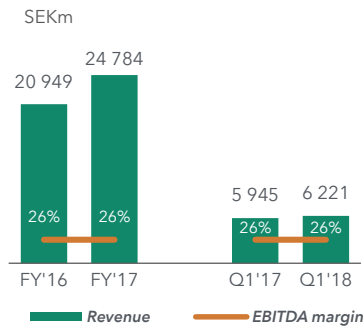
DELIVERED ON FULL YEAR GUIDANCE



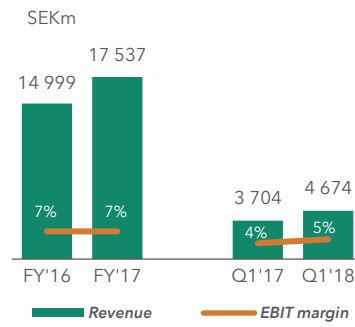
ACCELERATING MOMENTUM, ON TRACK WITH GUIDANCE



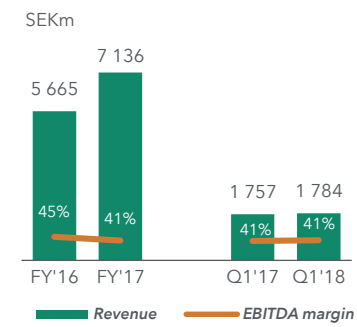
STRONG GROWTH AND NEW FINANCIAL FRAMEWORK



RECORD SALES AND HIGHER PROFITS



LAYING THE FOUNDATION FOR FUTURE GROWTH



- During Q1 2018, Zalando expanded its cooperation with local retailers in Germany, enabling shipment from their stores to customers using Zalando's technological infrastructure
- In February, Zalando announced an investment in logistics robotics startup Magazino, underlining logistics as one of the company's core competencies
- Zalando reports Q1 2018 results on 8 May

Note: EBIT adjusted for share-based compensation.

- Millicom had strong growth momentum across countries and business lines in the quarter
- A record number of homes were connected during the quarter, and the number of 4G customers increased by 64% on a yearly basis
- On 23 April, the US Justice Department informed Millicom that it is closing its investigation into the company

Note: Figures includes Guatemala (55% ownership) and Honduras (66.7% ownership) and excludes discontinued operations.

- The company reported that the proposed merger with Com Hem is on track, and an updated shareholder remuneration and leverage policy was announced for the combined company
- Rolling 12 months operating cash flow grew by 26%
- Kazakhstan reached the EBITDA margin target level of 30% earlier than expected

Note: Figures refer to continuing operations. Discontinued operations includes the Netherlands as well as the former operations in Austria, Italy and Russia.

- On 23 March, MTG announced its intention to split into Modern Times Group and Nordic Entertainment Group, creating two companies with clear business profiles
- Nordic Entertainment delivered another quarter of higher sales and profits, despite tough comps
- MTGx sales were up 226% (27% organically) with contributions from all three digital verticals

Note: Excludes discontinued operations comprising MTG's businesses in Tanzania in Q1 2018 and MTG's businesses in the Czech Republic and the Baltics in 2017. Figures also exclude items affecting comparability.

- Com Hem successfully implemented price adjustments in both Com Hem and Boxer, following product improvements and upgrades during 2017
- The company made progress on its network expansion, reaching 2.9 of the 3.0 million targeted addressable households
- Integration preparations for the proposed merger with Tele2 are underway

Note: EBITDA stated before disposals excluding items affecting comparability and operating currency gains/losses. Boxer is included from 30 September 2016.

NORDIC TMT: TELE2 AND COM HEM MERGER IS ON TRACK, WITH UPDATED FINANCIAL FRAMEWORK ANNOUNCED



Ahead of the proposed merger, Tele2 and Com Hem announced an updated financial leverage target and shareholder remuneration framework, enabling the combined company to offer all shareholders leading shareholder remuneration and value creation

2.5-3.0X LEVERAGE

Enlarged Tele2 will seek to operate within a net debt/EBITDA range of between 2.5-3.0x and maintain investment grade credit metrics

DISTRIBUTION POLICY

Enlarged Tele2's policy will aim to maintain target leverage by distributing capital to shareholders through:

- An ordinary dividend of at least 80 percent of equity free cash flow; and
- Extraordinary dividends and/or share repurchases, based on remaining equity free cash flow, proceeds from asset sales and re-leveraging of EBITDA growth

Based on the new financial framework, the combined company is expected to distribute in excess of 100 percent of equity free cash flow to shareholders, through a combination of dividends and share repurchases

NORDIC TMT: MTG SPLITTING INTO TWO COMPANIES TO MAXIMISE FOCUS AND POTENTIAL OF EACH GROUP



MODERN TIMES GROUP

Pure-play digital entertainment company

Esports, online gaming, Zoomin.TV and other investments

2017 Net sales: SEK 2.8bn¹ (133% growth)

2017 EBITDA: SEK 36m (1% margin)



NORDIC ENTERTAINMENT GROUP

Leading entertainment provider in the Nordics

Nordic Entertainment, MTG Studios and Splay Networks

2017 Net sales: SEK 13.7bn (6% growth)

2017 EBITDA: SEK 1.8bn (13% margin)



CLEAR RATIONALE - THE NEXT NATURAL STEP

1 STRATEGIC

- Greater focus and clarity
- Serving different target markets
- Adapting faster to market dynamics

2 OPERATIONAL

- Aligned accountability and incentivisation
- Simpler decision making
- Attracting highly skilled talent

3 FINANCIAL

- Distinct investment cases and equity stories
- Facilitates separate funding models and capital allocation
- Enables fair valuation of both businesses

¹ Prize money from 3rd party esports events has been excluded from 2017. FY16 sales would have been SEK 98m lower if presented on the same basis.
Note: All growth rates are year-on-year. EBITDA stated before Group central costs.
Source: Company information

OUR PRIVATE COMPANIES CONTINUED TO FOCUS ON GROWTH, STRATEGIC PARTNERSHIPS AND PRODUCT INNOVATION



- 9.9 million active customers at the end of Q4 2017 (13% growth¹)
- Q4 2017 Net Merchandise Value growth of 24% and net revenue growth of 23%
- The gross profit margin declined 4.4 percentage points to 38%, largely due to price investments. The adjusted EBITDA margin improved 3.5 percentage points to -6.5%²



- 10.8 million responses in March 2018 (13% growth on a per-listing basis, reflecting significant improvements made in the prior year)
- The company continued to execute on its cross-category strategy and had a strong financial development during the quarter, registering its highest ever revenues and margins, driven by improved product mix



- Over 345,000 customers at the end of Q1 2018 (42% growth)
- Assets under management of USD 13.5bn (62% growth)
- Launched a new custom portfolio strategy, Flexible Portfolios, allowing its customers to control asset class weights within the Betterment portfolio. This enables them to decide how money is distributed while still utilizing the suite of tax minimization features



- 6.3 million active customers at the end of Q1 2018 (19% growth excluding discontinued products)
- Launched a global partnership agreement with leading mobile operator Telefonica to provide microinsurance in Latin America. The first market launch was in Nicaragua in March 2018



- 1.5 million registrations at the end of Q1 2018 (97% growth)
- The digital general practitioner service in collaboration with the NHS, "GP at hand", continued its growth in new user applications to 40,000 in London
- Babylon signed a partnership with Tencent to offer its technology on the group's social messaging platform to over 1 billion users



- 68,000 members at the end of Q1 2018 (112% growth)
- Continued progress in sales to health insurance plans, signing partnerships with Highmark and BCBS of Massachusetts
- A new Hypertension product was released to the first clients and members

¹ Pro forma growth; includes Kanui and Tricae and excludes Mexico, Thailand, Vietnam, Jabong and Namshi. Revenue and NMV growth at constant currencies

² Excluding share based compensation

Note: All growth rates are year-on-year, unless otherwise stated

Source: Company information

KINNEVIK INVESTS A FURTHER USD 41M IN LIVONGO AND INCREASES THE OWNERSHIP STAKE TO 8%



BUSINESS OVERVIEW

- Livongo is a leading consumer digital health company, founded in 2014, empowering people with chronic conditions to live better and healthier lives
- The company aims to reduce the daily burdens of people living with chronic conditions, by driving behaviour change through the combination of consumer health technology, personalised recommendations, and real-time support at the point of impact



FINANCIAL & OPERATIONAL DEVELOPMENTS

- Since Kinnevik's first investment in Q1 2017, Livongo has grown its member base by 2.5 times and today serves employees of 55% of Fortune 500 companies
- The company has continued to strengthen its management team, reinforced its position as a leader in digital diabetes management, and expanded its offering to a multi-chronic condition platform starting with hypertension



INVESTMENT RATIONALE

- Technology-enabled end-to-end solution addressing two of the largest and fastest growing chronic conditions globally
- Proven ability to deliver more convenient, cost effective care and better patient outcomes
- Complementary to our other investment in healthcare, Babylon Health, which focuses on primary care
- Participating over multiple funding rounds has allowed Kinnevik deeper insight before committing larger amounts of capital

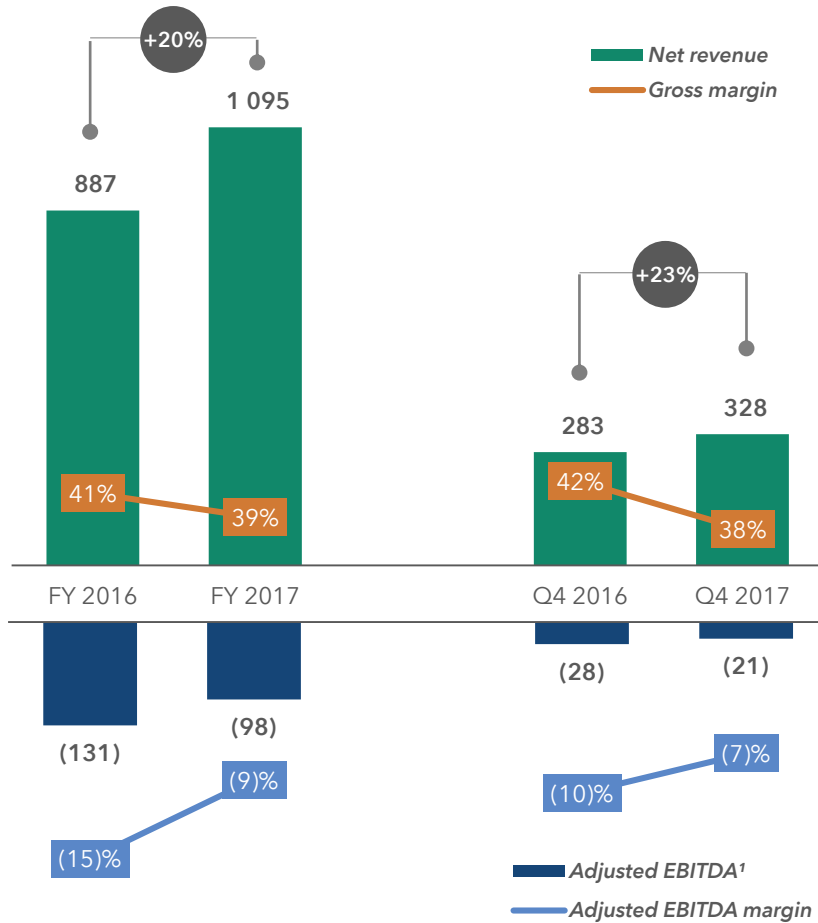


TRANSACTION

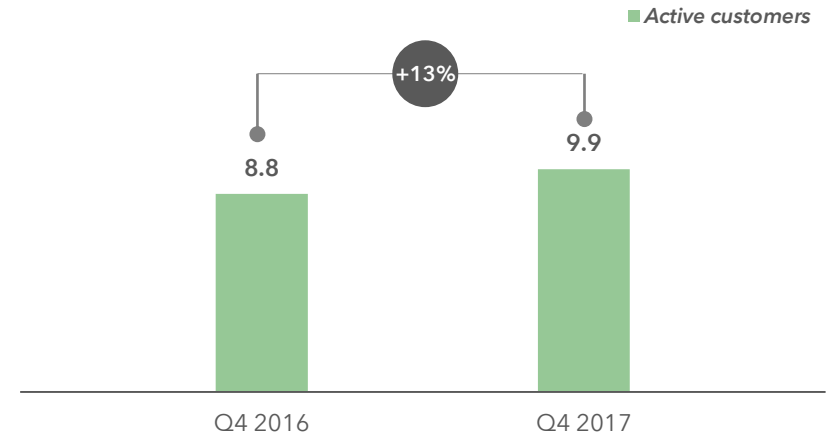
- Kinnevik invests USD 41m, leading a USD 105m internal investor funding round, and increases the ownership to 8%
- Proceeds from the funding round will support rapid market growth, continued investment in data science, deeper integration with clients and partners, and the development of Livongo's proprietary platform
- Livongo also announced a strategic partnership with Cambia to improve the health of its members, beginning with diabetes
- Subsequently Livongo acquired Retrofit, a leading provider of weight-management and disease-prevention programs

GLOBAL FASHION GROUP IS PROGRESSING ON ITS PATH TO PROFITABILITY

GROWTH AND MARGIN DEVELOPMENT



OPERATIONAL KPI DEVELOPMENT



REGIONAL OVERVIEW

- **Lamoda** grew net revenue by 16% and NMV by 12%. Gross margin decreased slightly to 39% driven by investments in competitive pricing and product mix effects
- **Dafiti** grew net revenue by 18% and NMV by 22% driven by a successful Black Friday campaign in Brazil. Gross margin declined slightly to 40% driven by investments in competitive pricing
- **Zalora** and **The Iconic** have delivered growth rates of 38% and 41% respectively for net revenue and NMV. Gross margin declined by 8 percentage points to 35% driven by competitive promotional pricing

¹ Excluding share based compensation

Note: Growth rates on a constant currency and pro forma basis; includes Kanui and Tricae and excludes Mexico, Thailand, Vietnam, Jabong and Namshi

Source: Company information

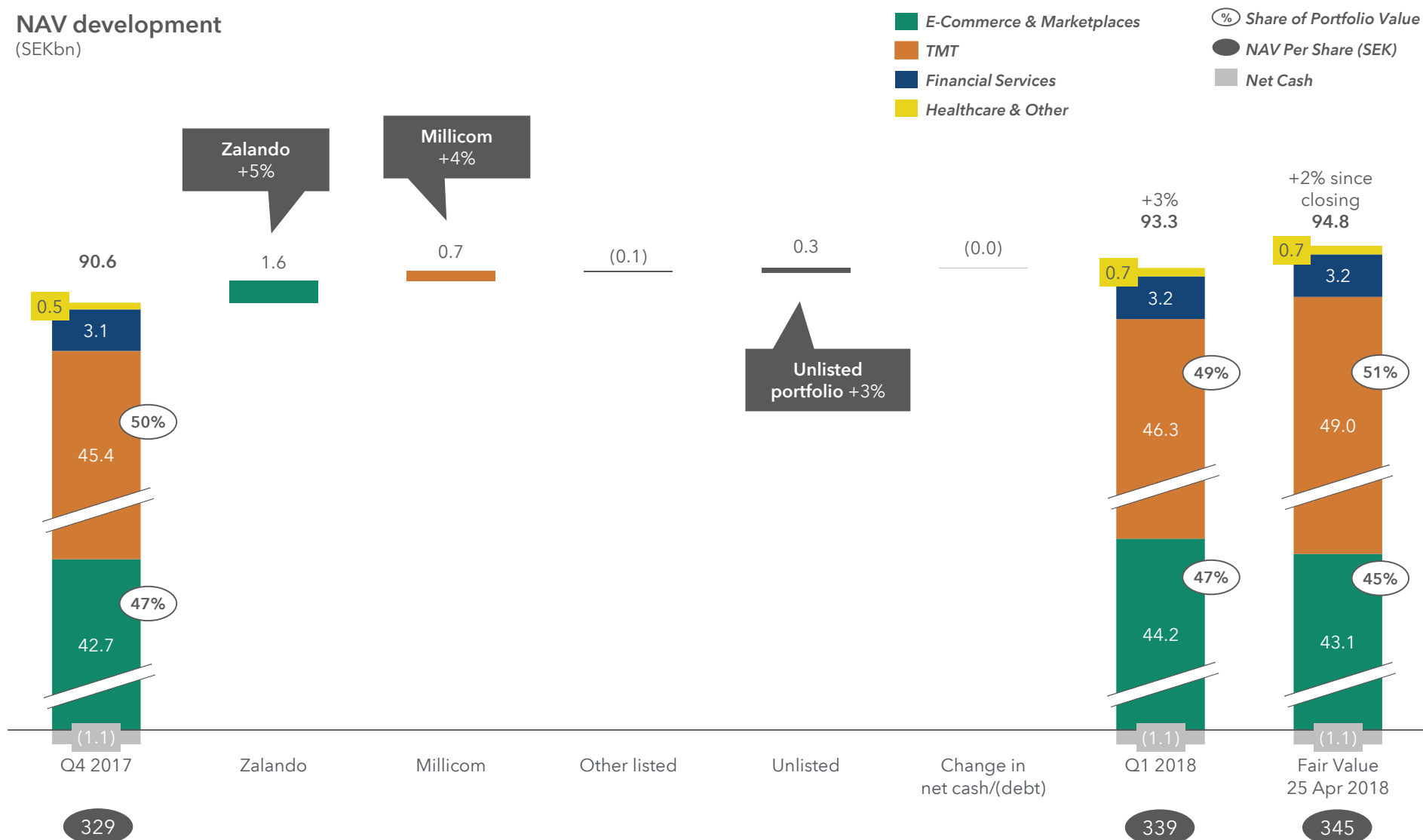
SECTION B

KINNEVIK'S FINANCIAL POSITION

SOLID NET ASSET VALUE DEVELOPMENT, WITH STRONG PERFORMANCE IN ZALANDO AND MILLICOM DRIVING NAV UP 3%

NAV development

(SEKbn)



MAINTAINED STRONG BALANCE SHEET IN LINE WITH FINANCIAL TARGETS

INVESTMENT ACTIVITY (SEKM)

	Q1 2018
Investments	21
Divestments	12
Net Investments (Divestments)	9

FINANCIAL POSITION (SEKM)

Net Cash / (Debt) Per 31 December 2017	(1 062)
Net Investments	(9)
Operating Expenses	(109)
Net Financial Expenses	(16)
Dividends received	117
Net Cash / (Debt) Per 31 March 2018	(1 079)

TOTAL SHAREHOLDER RETURN



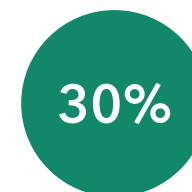
Past 30 years



Past 10 years



Past 5 years



Past 12 months

SECTION C

2018 PRIORITIES

2018 KEY PRIORITIES



INTENSIFY ACTIVE OWNERSHIP

Active ownership is a core pillar of Kinnevik's strategy, and key to building successful businesses. We will continue to focus on creating value in our large listed companies.

ACCELERATE PRIVATE PORTFOLIO

Identify and accelerate the key assets in our private portfolio, and invest in a number of new companies in the coming years.

INCREASE NORDIC FOCUS

Increase our efforts to identify new investments in our focus markets, including the Nordics.

DEVELOPMENTS IN 2018

- ✓ Tele2 / Com Hem merger
- ✓ MTG split
- ✓ Livongo investment
- ✓ Budbee investment
- ✓ Strengthened investment team with two new hires



BUILDING THE BUSINESSES THAT PROVIDE
MORE AND BETTER CHOICE