



Presentation of the Third Quarter of 2020

15 October 2020



Today's Agenda

- 1** Key Strategic Highlights
- 2** Portfolio Companies' Performance
- 3** Kinnevik's Financial Position
- 3** Key Priorities

Today's Participants

Georgi Ganev

Chief Executive Officer

Erika Söderberg Johnson

Chief Financial Officer

Torun Litzén

Director Corporate Communications

Samuel Sjöström

Head of Strategy

KEY STRATEGIC HIGHLIGHTS IN THE THIRD QUARTER OF 2020

NAV 30 SEPTEMBER 2020

SEK **107.9**BN

CHANGE IN NAV Q/Q

23%

1-YEAR TSR

85%

5-YEAR TSR

21%

Key Highlights

- **Zalando raised its full-year 2020 outlook** on the back of exceptionally strong and profitable growth in the third quarter
- **Livongo and Teladoc announced the intention to merge their businesses**, creating an unmatched, comprehensive platform for virtual healthcare delivery
- **Invested in Common, a residential brand and tech-enabled managed rental housing marketplace in the US**, and thereby broadening our Consumer Services portfolio towards business models that reflect broader consumer trends
- **Made our first investment in the Nordic healthcare space through an investment in Joint Academy**, a Swedish digital health company specialised in the treatment of chronic joint pain
- **Our healthcare and online food companies see continued strong demand** and inflow of new customers, with indications of a more lasting shift in consumption patterns
- **Continued negative impacts from Covid-19** in our travel and emerging market businesses

Investment Management Activities

- We remain focused on **re-allocating capital dynamically** to ensure our portfolio remains balanced and vibrant. In the quarter, we invested SEK 732m in total, including:
 - SEK 232m into **VillageMD** as part of the funding round led by Walgreens Boots Alliance
 - SEK 184m into **Common**
 - SEK 131m into **Joint Academy**
 - SEK 114m into **Omio**, in connection with the company's convertible loan raise
- The **extra dividend of SEK 1.9bn from the Zalando sell-down** was distributed to shareholders during the quarter
- We divested our 12% shareholding in **Home24**, generating net proceeds of EUR 21m, and completed our **Qliro Group** exit by swapping our residual stake for shares in MatHem

Financial Position

- NAV of SEK 107.9bn (SEK 388 per share), **up SEK 20.3bn or 23%** in the quarter, adding back paid dividend of SEK 1.9bn
- **Net cash position of SEK 3.0bn**, corresponding to 2.9% of portfolio value by quarter-end. Adjusting for the **dividends received from Tele2 in early October**, our **net cash position amounted to SEK 4.2bn**

LIVONGO INTEND TO MERGE WITH TELADOC, CREATING A CONSUMER CENTRED VIRTUAL CARE PLATFORM FOR A FULL SPECTRUM OF HEALTH NEEDS

Transaction Rationale and Our Investment Returns

A Transformative Transaction Validating our Strategy

Strategic Rationale

- #1 Sector-Defining Company**

The joint entity will be a >USD 35bn digital-first, consumer-centric healthcare leader, serving over 70 million members every year
- #2 Broadest Multi-Product Solution in the Market**

The most complete end-to-end digital health solution, addressing critical, chronic and everyday care across areas such as diabetes, dermatology, hypertension, sexual health, tobacco cessation, mental health, MSK, nutrition and weight management and caregiving
- #3 Complementary Solutions & Technology**

Serving patients and facilitating care across multiple medical and non-medical settings such as at home, in the clinic or in the hospital
- #4 Highly Complementary Channel Synergies**

Significant cross-selling opportunities offered by a combined broader set of US and international distribution channels and deeper client base
- #5 Strong Financial Profile**

Expected 2020 pro forma revenue of ca. USD 1.3bn (85% pro forma growth), and pro forma adjusted EBITDA of over USD 120m, underlined by a business model that is driven by subscription and recurring revenue streams

Our Investment History and Returns

- **Kinnevik first invested in Livongo in March 2017** and have led every round since including being the largest buyer in the IPO in July 2019. We have **invested a total of USD 155m** in the company
- As per 30 September 2020, our stake is valued at SEK 15.9bn, **a return of 11.4x MoM and a 228% unrealized IRR**
- Livongo was the second investment as part of our healthcare strategy put in place almost five years ago, aimed at **applying our learnings from consumer-centric and technology-enabled transformation** of other sectors to healthcare
- The proposed transaction, which is expected to close in the fourth quarter of 2020, is a testament to the value of Livongo's platform and **validates Kinnevik's healthcare investment strategy**
- In total, Kinnevik has invested SEK 3.9bn into our digital healthcare businesses, generating an exceptional **5.9x return on our total investment and an unrealized IRR of almost 140%**

TeladocTM
HEALTH

Livongo[®]

KINNEVIK HAS INVESTED SEK 184 MILLION INTO COMMON, A RESIDENTIAL BRAND AND TECHNOLOGY-ENABLED PROPERTY MANAGER



Investment Overview

Description

- Common is a **residential brand** and **technology enabled property manager** based in New York
- **The company manages residential apartment buildings on behalf of build-to-rent asset owners.** This includes marketing, viewings, leasing documentation, on-site operations, maintenance and renewals

Case Validity

- **Common has signed agreements to manage 17,600 units across its three brands,** focused on urban millennials, families with kids, and suburban workforce housing
- **For tenants, Common offers a more seamless experience** through rentals that are all-inclusive and flexible, with virtual walk-throughs and online contracting. This has resulted in a historical vacancy rate of half of the industry average
- **For asset owners, Common improves operating yields** by automating more processes and driving better marketing conversion rates relative to unbranded properties
- In addition to property management, **Common offers the option to convert some traditional units to co-living,** which can significantly enhance the asset owners' returns through densification

Strategic Fit

- **The business model is asset-light,** with no direct exposure to underlying real estate prices
- Common is effectively a **managed marketplace** that connects tenants with asset owners, but plays a deep facilitation role in standardising this relationship to remove friction
- **Living is a big share of wallet,** typically representing around one-third of millennials' disposable income
- **The sector has been characterised by limited innovation and technology investment** over a number of years, which has restricted consumer choice and resulted in no established brands



KINNEVIK HAS INVESTED SEK 131 MILLION INTO JOINT ACADEMY, A SWEDISH DIGITAL HEALTH COMPANY SPECIALISED IN CHRONIC JOINT PAIN



Investment Overview

Description

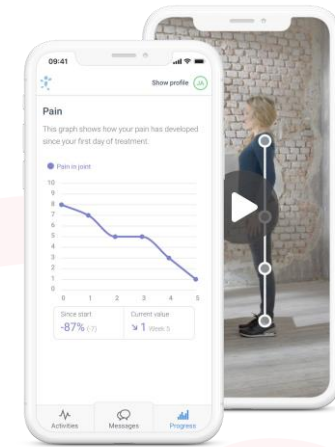
- Joint Academy is a **digital health platform based in Sweden that delivers online, evidence-based treatment for chronic joint pain**, specializing in osteoarthritis
- The company provides a **solution allowing patients to manage their osteoarthritis on their own with physiotherapists supporting patients remotely**, i.e. an online/telehealth version of the established program used in traditional clinics

Case Validity

- Approximately **80% of global healthcare spend stem from 15 chronic diseases**, out of which chronic joint pain is the fifth most common
- The condition has traditionally been treated with **pain reducing medication (opioids) and/or expensive and invasive joint replacement surgery**
- Patients enrolled in Joint Academy's digital treatment on average report a **44% reduction in pain after three months** and report reduced levels of pain over the rest of the first year
- **Almost half of patients who considered joint replacement reports that they no longer need it**

Strategic Fit

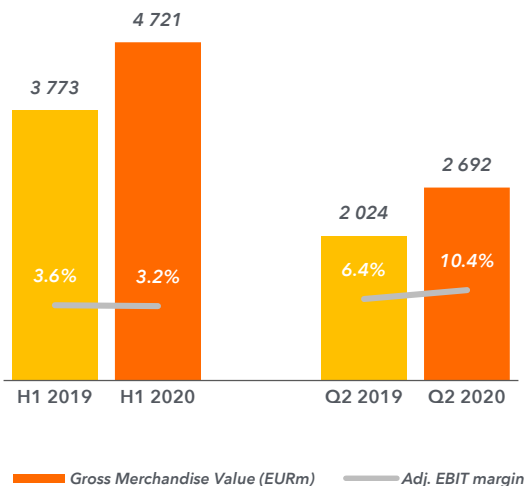
- The company **addresses one of the largest cost drivers in the global healthcare system** and does so by way of **digitizing a proven clinical methodology for osteoarthritis care** that has been developed over many years and with data from many thousand patients
- Joint Academy sits perfectly at the intersection of our Nordic Venture and International Healthcare strategies, allowing us to **leverage our strong local network** to support the company as it grows as well as our **deep sector expertise** as it expands to international markets



ZALANDO AND LIVONGO ARE DEVELOPING STRONGLY FUELED BY DIGITAL TRENDS, WHILE TELE2 IS SHOWING RELATIVE STABILITY IN A CHALLENGING MARKET

Zalando

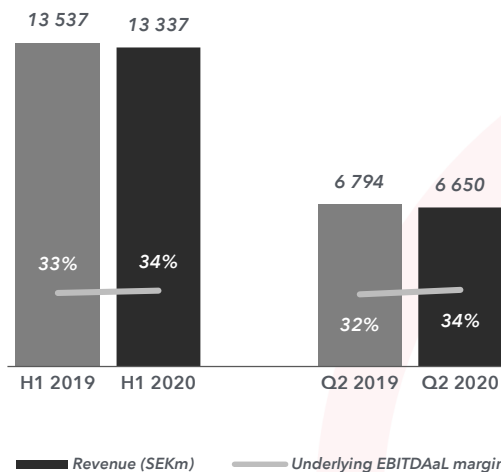
Faster Than Expected Demand Recovery



- Q2 2020 revenue and GMV growth of 27% and 33% respectively, with an adjusted EBIT margin of 10.4%, driven by faster than expected demand recovery and underlying changes in customer behaviour
- Zalando made *continued progress on its strategic agenda to become the Starting Point for Fashion* supported by an accelerated offline to online shift
- Raised its full-year 2020 outlook on the back of exceptionally strong and profitable growth in the third quarter

Tele2

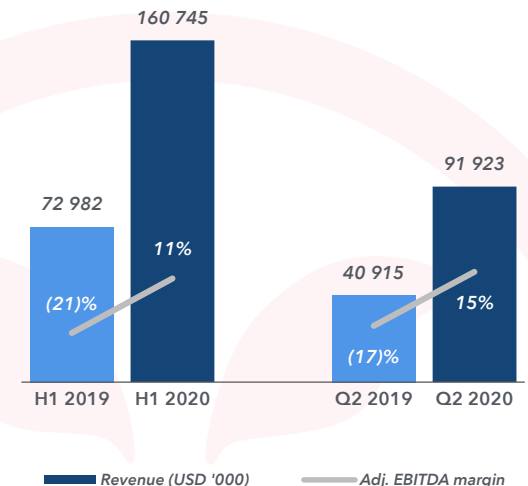
Relative Stability in a Difficult Market



- Q2 2020 revenue of SEK 6.7bn and end user service revenue of SEK 4.9bn, both down 2% compared to Q2 2019 on an organic basis, mainly due to negative impacts from the pandemic
- Underlying EBITDAaL of SEK 2.3bn, an organic increase of 4% compared to Q2 2019 driven by cost reductions from 2019 and activities to mitigate the pandemic impact

Livongo

Digital Trends Creating Strong Momentum



- Q2 2020 revenues of USD 91.9m, up 125% year-over-year, driven by the continued adoption of its Applied Health Signals platform
- With further adoption of virtual health and remote monitoring technologies as the new standard of care, *Livongo continues to build on its leadership position*

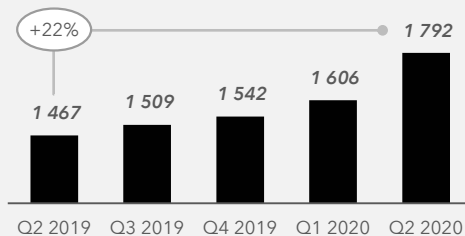
OUR YOUNGER GROWTH COMPANIES CONTINUE TO EXPERIENCE STRONG DEMAND AND INFLOW OF NEW CUSTOMERS

Continued Momentum in Our Younger Growth Portfolio

Customer Retention and Engagement Will be Key

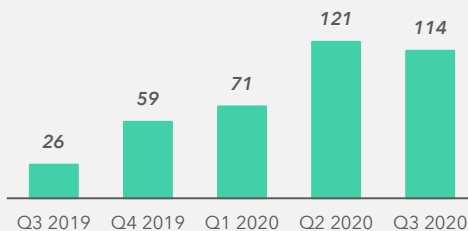
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Revenues LTM (SEKm)



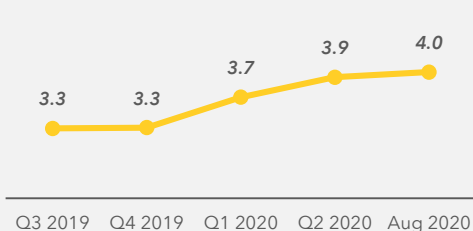
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Number of New Merchants



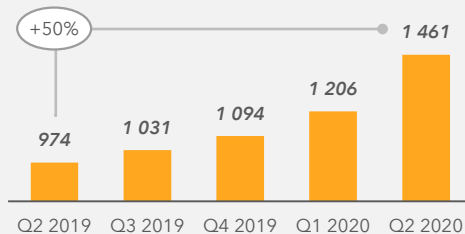
VillageMD

Managed Medical Spend (USDbn)



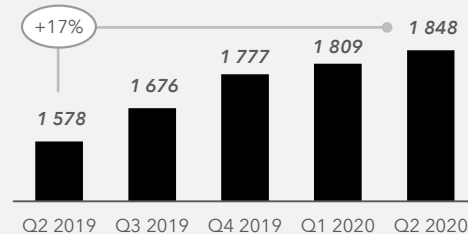
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Revenues LTM (NOKm)



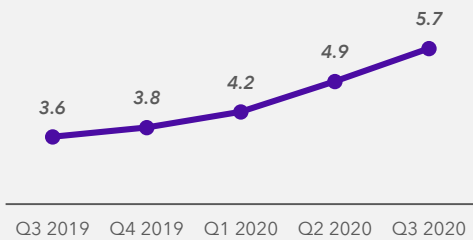
DFG GLOBAL FASHION GROUP

Net Merchandise Value LTM (EURm)



babylon

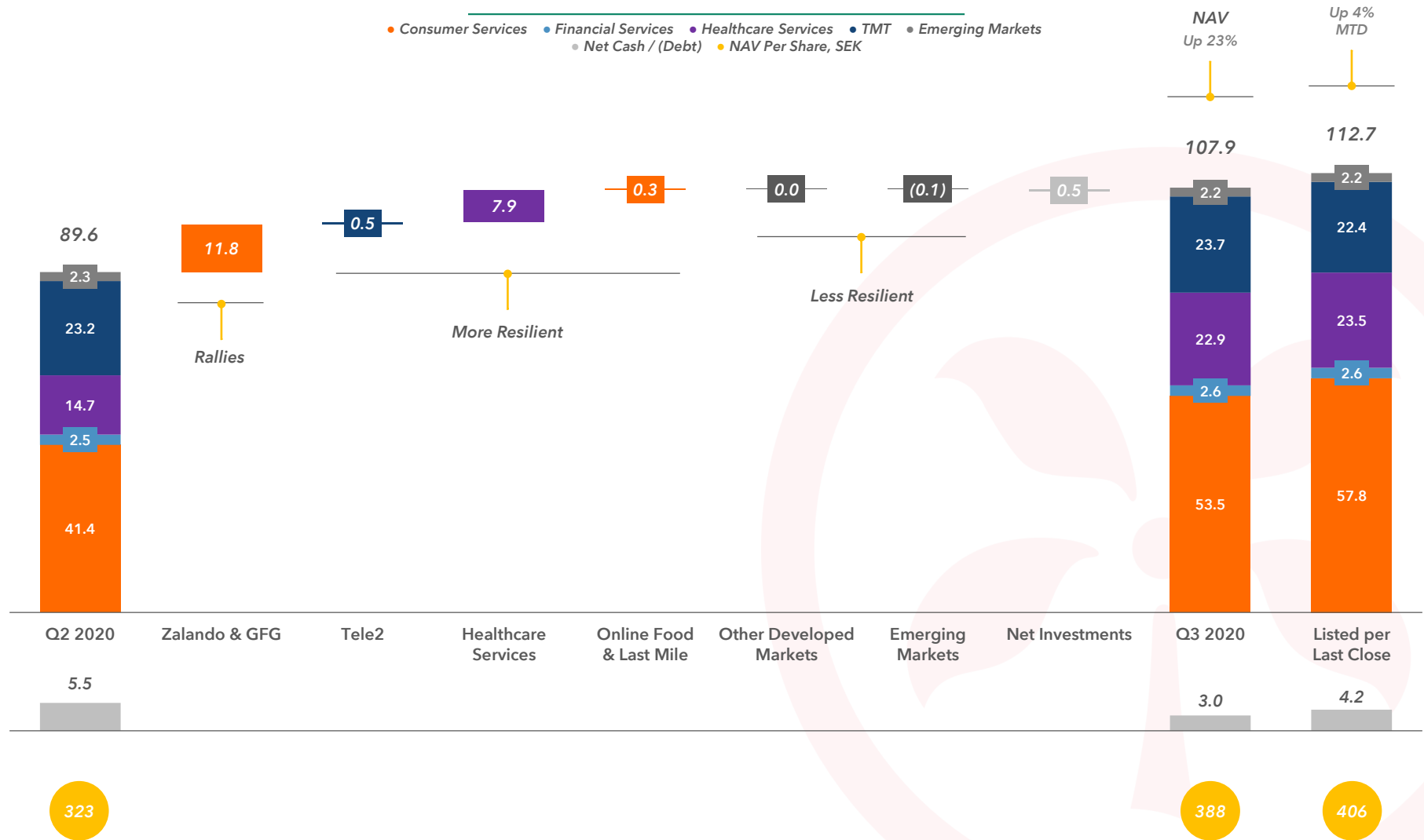
Global Registrations (m)



OUR NET ASSET VALUE IS UP SEK 20.3 BN, OR 23%, IN THE QUARTER, DRIVEN BY E-COMMERCE RALLIES AND CONTINUED STRONG PERFORMANCE IN HEALTHCARE

Net Asset Value Development

- Consumer Services
- Financial Services
- Healthcare Services
- TMT
- Emerging Markets
- Net Cash / (Debt)
- NAV Per Share, SEK



Note: The percent increase in net asset value includes dividend paid of SEK 1.9bn.

PRO FORMA TELE2'S DIVIDENDS AND THE LIVONGO/TELADOC MERGER, OUR SEK 3.0 BILLION NET CASH POSITION GROWS TO SEK 5.5 BILLION

Our Financial Position

Capital Structure and Financial Capabilities

Net Cash Development

Q3 and Pro Forma, SEKbn



Composition of Net Cash / (Debt)

By Source, SEKbn



Our financial position provides us with the strength needed to execute on our five-year 2019-23 capital allocation plan in an optimal way, driving the transformation of our portfolio towards a higher share of high-growth, primarily private businesses

KINNEVIK HAS THREE CLEAR PRIORITIES GOING FORWARD

1
Continue to Evolve the
Portfolio Towards a
Higher Proportion of
Growth Companies

2
Strengthen Our
Portfolio Balance
Across Sectors, Stages
and Time to Liquidity

3
Reallocate Capital
More Dynamically
Through Attractive
Exits as Our Young
Portfolio Matures

WE BUILD DIGITAL BUSINESSES