

PRESENTATION OF KINNEVIK'S

Q4 2022

2 FEBRUARY 2023



Q4 2022

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Today's Presenters

Georgi Ganev
Chief Executive Officer

Samuel Sjöström
Chief Financial Officer

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Director Corporate Communications

KEY EVENTS OF THE QUARTER

INVESTEE PERFORMANCE

PRIVATE VALUATIONS

THE CHALLENGING MARKET ENVIRONMENT CONTINUES, BUT OUR RESILIENCE ENABLES US TO CONTINUE EXECUTING OUR STRATEGY

Key Events of The Quarter

Q4 2022



NAV of SEK 52.9bn or 189 per share, down 9 percent in Q4 and down 27 percent in full-year 2022. Fair value of **unlisted investments down around 10 percent in Q4** due primarily to multiple contraction and by more than 50 percent on an underlying basis in full-year 2022

Invested **USD 75m** in a private placement in **Recursion**, a clinical-stage biotechnology company industrializing drug discovery. Added hospitality management system business **Mews** to our portfolio of travel businesses with a **EUR 40m** investment, simplifying and automating all operations for modern hoteliers and their guests

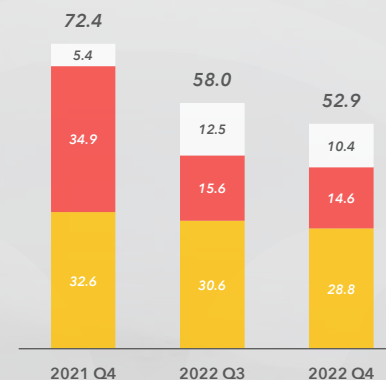
H2 Green Steel, the Swedish venture aiming to produce green steel in a fully integrated plant, added to our emerging portfolio within climate tech through a **EUR 25m** investment

Oda raised NOK 1.5bn in new capital from new investors, with participation from Kinnevik, as it continues its geographic expansion

Kinnevik received double recognition for our leadership in sustainability - we were the only firm awarded the highest category in Honordex Inclusive Index Report 2022, and one of the top performing companies in Sweden in a sustainability ranking by Lund University

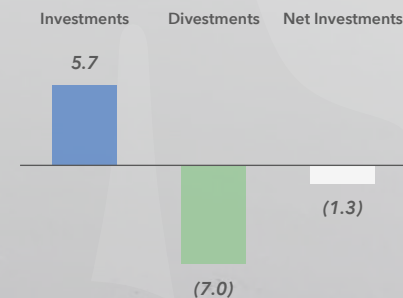
Net Asset Value

● Public, ● Private, ● Net Cash / (Debt), SEKbn



Investment Activity

Full-Year 2022, SEKbn

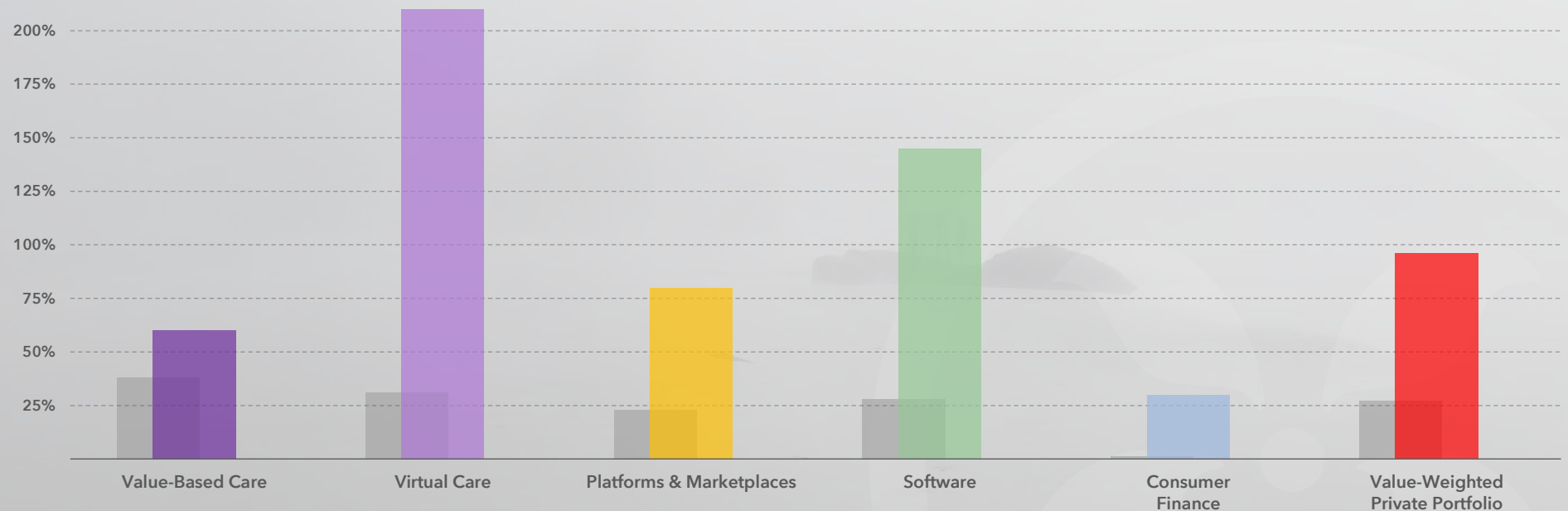


Note: Net Asset Value adjusted for Other Net Assets / Liabilities

2022 WAS A STRONG YEAR OPERATIONALLY FOR OUR INVESTEEES, AND DURING THE END OF THE YEAR, WE BEGAN TO REBASE GROWTH PLANS...

Private Company Revenue Growth in 2022

By NAV Category, Value-Weighted Per Q4 2022, Public Comps in Gray



Our portfolio outpaced their public market comparables on topline by around 3x on average in 2022, and while our expectations on topline have been revised downward we expect a differential of similar magnitude in 2023

...IN EXCHANGE, PROFITABILITY IMPROVEMENTS ARE ACCELERATED, RUNWAYS ARE EXTENDED, AND RELIANCE ON NEAR-TERM FUNDING ENVIRONMENT IS LOWER

Runway & Profitability

Navigating Uncertainty

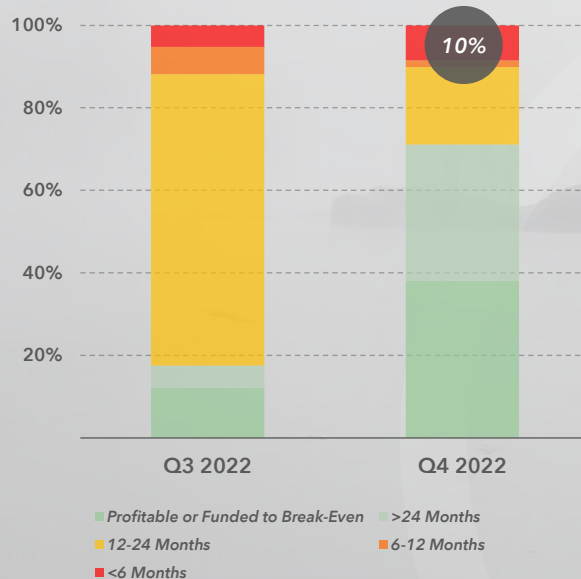
Average Change in 2023 Topline Outlook

Q4 '22 vs Q3 '22, Value-Weighted



Change in Cash Runway Estimates

% of Unlisted Portfolio Fair Value, Q4 '22 versus Q3 '22



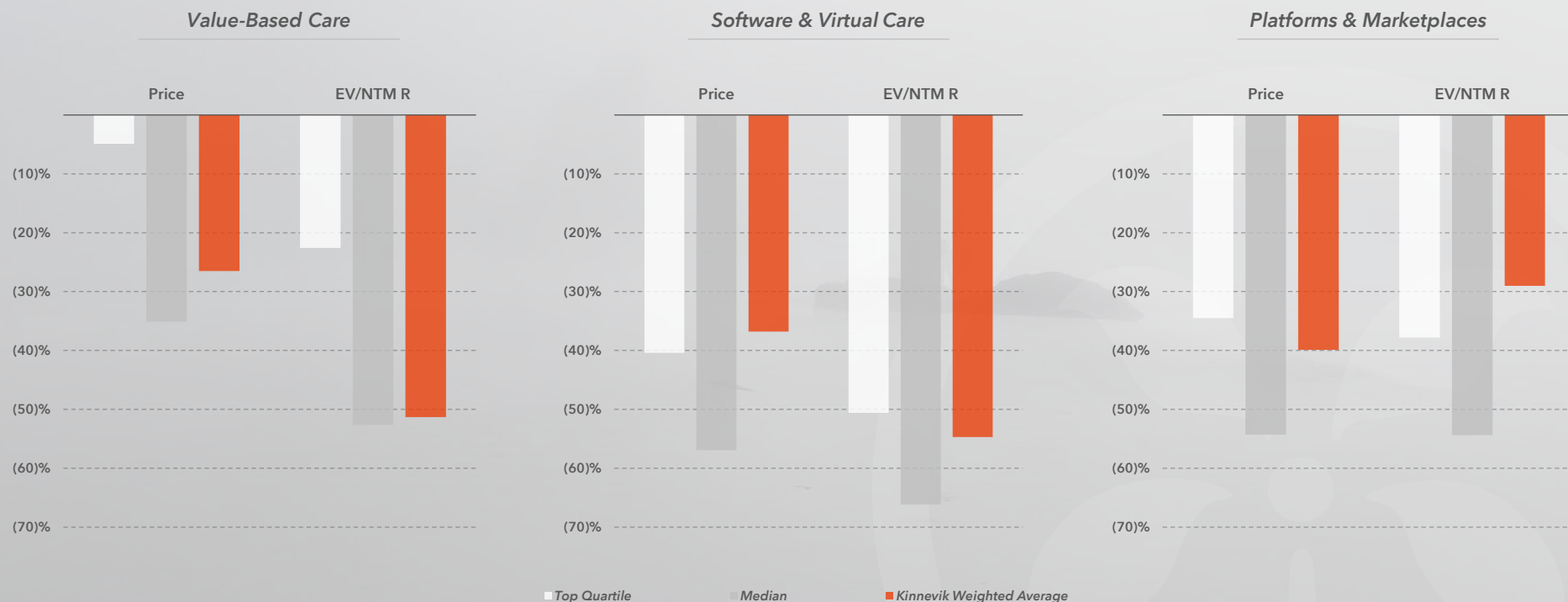
- Improvement driven by -
 - more **conservative business plans**;
 - fundraises** during 2022;
 - consolidation**; and
 - write-downs** of less robust investees
- Pro rata share of **investees' cash burn** expected to decrease by more than **40%** from 2022
- e.g. **VillageMD**, **Instabee** and **Jobandtalent** are cash flow **profitable** already, or in 2023
- We expect to invest around **SEK 2.5bn** into our existing portfolio in 2023
- The **absolute majority** of our follow-on investments will be deployed to **accrete ownership** in our **highest-conviction businesses**

Around 10% of our unlisted portfolio by value will need new financing in 2023, with another 20% in 2024

HENCE, WE ARE ENTERING 2023 WITH A REBASED VIEW ON PERFORMANCE, AND VALUATIONS REFLECTING PUBLIC MARKET MULTIPLE CONTRACTION IN 2022

Changes in Prices & Multiples

Public Peer Sets vs Kinnevik Key Private Categories, 2022FY



We believe that we have reflected movements in public markets adequately during 2022, with valuation and multiple changes within the ranges observed in our public peer groups during the year

WITHOUT PRICE POINTS SERVING AS GUIDANCE, WE HAVE WRITTEN DOWN OUR PRIVATE INVESTMENTS BY MORE THAN 50% ON AVERAGE DURING 2022

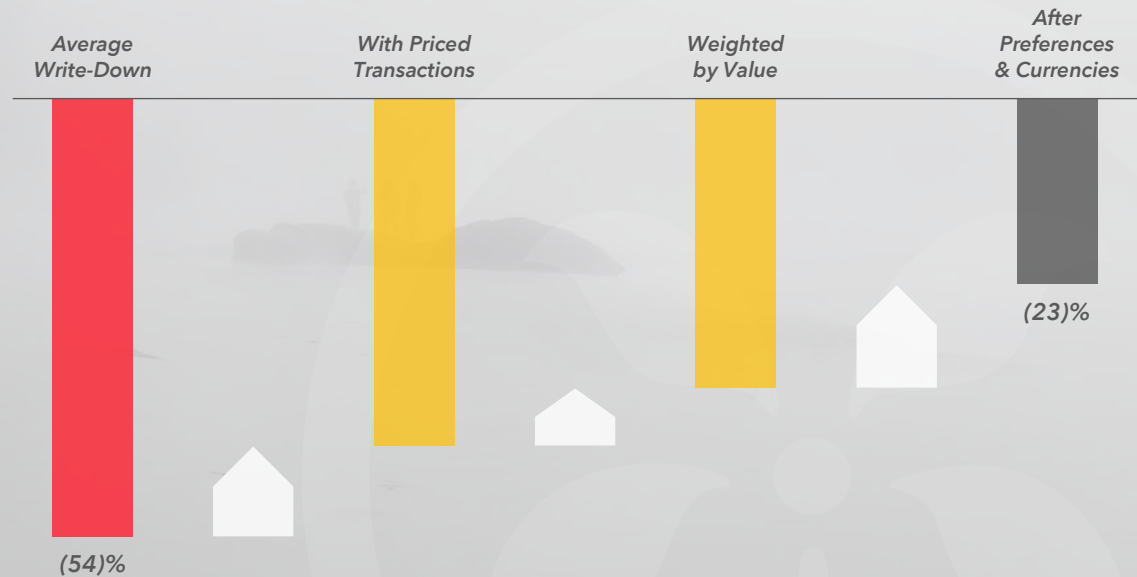
2022 Full-Year Write-Down

Put in Perspective

- Excluding valuation reassessments with a large positive NAV impact due to priced rounds in the current market environment (VillageMD, Monese, Omio and Budbee) - **the average write-down amounts to 54%**
- This is equivalent to a slightly above-median development relative to public market comps
- The impact from **liquidation preferences** amounts to **SEK 3.2bn** at end of 2022 (up from SEK 2.7bn in Q3)
- The bulk of this difference sits in a handful of later-stage companies
- A **weakening Swedish krona** (primarily against the US dollar) has had a **positive SEK 2.8bn impact** on the private portfolio in 2022

From Underlying Write-Downs to NAV Impact

% Change, 2022FY



Our underlying discretionary write-downs in 2022 are muted by priced transactions, downside protection and a weakening Swedish krona

KEY IN-QUARTER REASSESSMENTS REVOLVE AROUND FOUR INVESTEEES

Key Valuation Reassessments

Q4 2022

Key Write-Ups



- Valuation **increase of >15%** in dollar terms, at a 10-15% discount to the funding round in part financing the acquisition of Summit Health
- The combined company expected to be EBITDA positive and grow faster than its listed value-based care benchmarks in 2023
- Valued at a slightly increased premium to highly volatile valuation levels in public benchmarks through this quarter's repricing

spring

- Underlying valuation **increase of >25%** in dollar terms, muted by liquidation preferences
- Multiple contraction of around 6% in the quarter and almost 70% during full-year 2022
- Now valued virtually back in line with our entry valuation in Q3 2021

Key Write-Downs

budbee
instabox

- Valuation **decrease of 28%** from last quarter's carrying value, which was in line with the merger valuation
- Reassessment mainly driven by cautious revisions of the near-term outlook in the current economic climate with softening consumer spend
- The combined company expected to be EBITDA positive and grow materially (2-3x) faster than public benchmarks

cityblock

- Valuation **decrease of 18%** in dollar terms
- Multiple contraction of 10%, valued at a virtually unchanged discount to our VillageMD valuation
- Consolidating its footprint, which impacts top-line negatively in short term and gross profit positively in the medium and long-term

The aggregate write-down of the fair value of our unlisted investments amounts to 10% in the quarter, driven primarily by high single-digit multiple contraction, revised 2023 outlooks, and currency effects

IN TOTAL, NET ASSET VALUE WAS DOWN 27% IN 2022

Net Asset Value Development in 2022

● Private Growth, ● Public Growth, ● Tele2, ● Net Cash / (Debt) & Other, SEKbn



Per Share

260

189

CLOSING
2022

Value-weighted *revenue growth of 100% in 2022*, outpacing public benchmarks by around 3x

>50% multiple contraction in the unlisted portfolio, in line with public market magnitudes

15% cuts on 2023 growth outlook in favor of materially extended runways, with almost *40% of our private portfolio being profitable or funded to break-even*

Carrying value of unlisted portfolio *down 23%* in 2022, due to underlying *write-downs of >50%* on average

Bulk of favorable effects from *liquidation preferences* limited to a handful, primarily later-stage investments

ENTERING
2023

Expecting our investees to *continue outpace public benchmarks on top-line growth* materially

Portfolio still valued *in line with public market levels* looking beyond NTM

Expectations reflect a highly uncertain and recessionary economy, with less reliance on the fundraising environment

Theoretical *"downround overhang"* should already be fairly materialized

Potential *inertia* on future write-ups *limited to the same handful of investments*

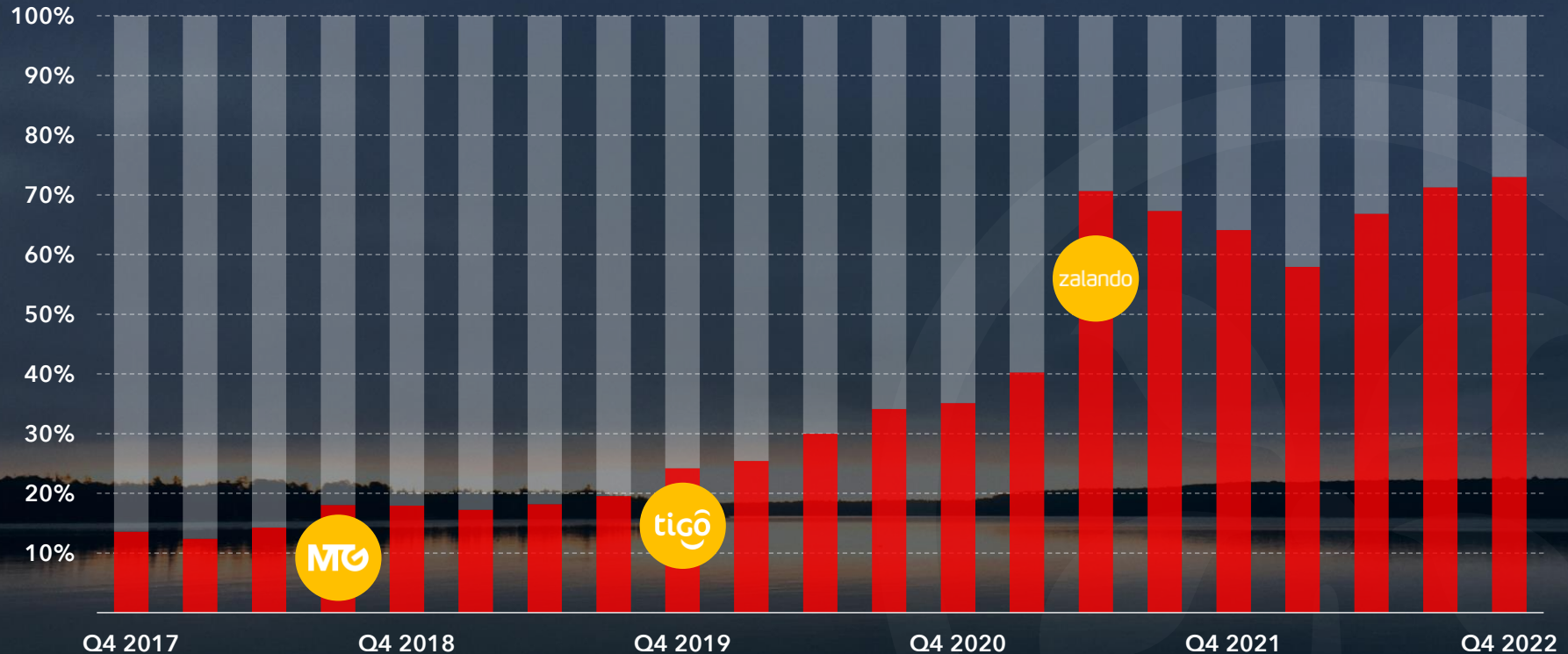
*In 2022 we have sought to accurately reflect the public market drawdown on private venture and growth capital businesses
We head into 2023 with rebased valuation multiples, revised investee expectations, and eventually a return of priced transactions*

OUR TRANSFORMATION

OVER THE LAST FIVE YEARS KINNEVIK HAS BEEN TRANSFORMED INTO A LEADING LISTED GROWTH-FOCUSED INVESTMENT COMPANY

Our Transformation

% Growth Investments of Portfolio Value, ● Spin-Offs

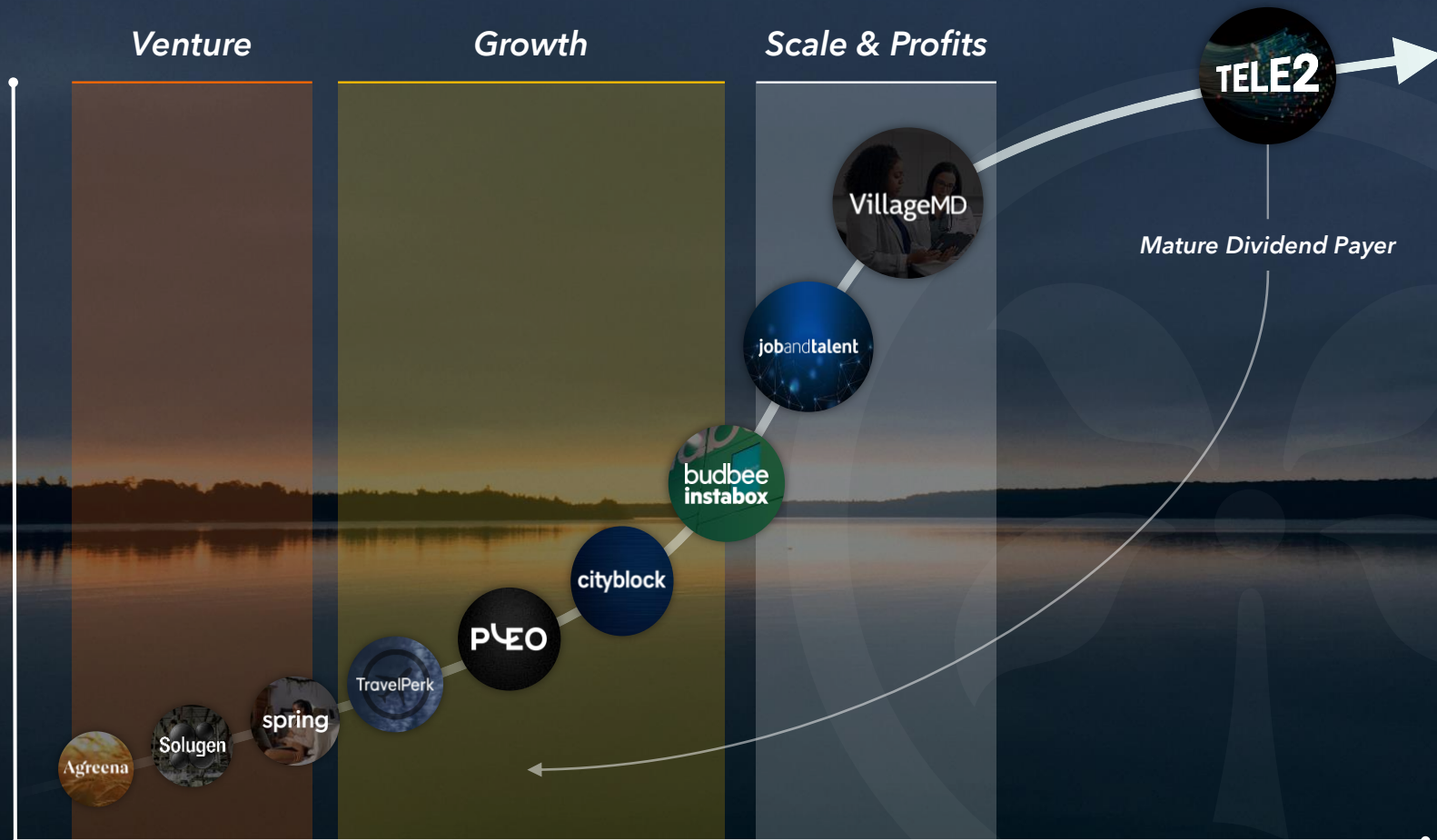


At end of 2022 our Growth Portfolio represented more than 70% of our total portfolio - up from around 10% five years ago

WE HAVE SOUGHT TO BUILD A GROWTH PORTFOLIO THAT IS BALANCED ACROSS DIFFERENT STAGES OF MATURITY AND RISK WITHIN OUR CORE FOCUS AREAS

Our Growth Portfolio

Illustrative by Stages



WE HAVE REALLOCATED CAPITAL AT A HIGH LEVEL OF INTENSITY AND DISCIPLINE, AND >35% OF INVESTMENTS HAVE BEEN FINANCED BY GROWTH PORTFOLIO EXITS

Our Capital Reallocation

2018-22 Sources & Uses, SEKbn

Sources



Uses



Even though our Growth Portfolio is still very young, we have already proven our ability to reallocate capital within it
Additionally, we have distributed close to SEK 75bn in dividends in kind over these last five years

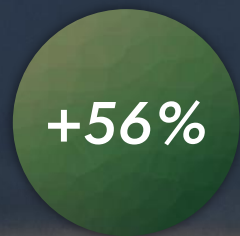
OUR GROWTH PORTFOLIO HAS GENERATED SIGNIFICANT RETURNS OVER THE LAST FIVE YEARS EVEN WITH THE MATERIAL DOWNWARD CORRECTION IN 2022

Our Track Record

5-Year IRR at 2022 End, Focus Areas and the 2018-22 Cohort



Healthcare
Virtual & Value-Based



Software



2018-22
Cohort of Investees



Platforms & Marketplaces

As we continue delivering in line with our results to date, our Growth Portfolio will have a significantly larger impact on our shareholder returns over the next five years than it has over the past five years

LOOKING INTO 2023

OUR 2023

PRIORITIES

Continued *disciplined* capital allocation

Support and maximize the impact of our *highest-conviction* investments

Minimize capital and exposure to our *lowest-conviction* investments

Pursue *new investments* selectively, leveraging our financial strength and long-term perspective

Capture opportunities arising during a period of a risk-averse sentiment

OUR 2023

EXPECTATIONS

Maintain our momentum of *SEK 5bn* in annual investments

Investments split roughly *50/50* between existing and new companies

Our investees will need to *continuously adapt* to a dynamic and complex economic environment

Continued *crystallization of long-term winners* and investments that will be pruned and transitioned out

Ending the year within a more *stable outlook* for the venture and growth capital ecosystem

Q&A





WE INVEST FOR A REIMAGINED EVERYDAY